

CITY OF CLOVERDALE

HOUSING ELEMENT

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January 1985

Prepared by: Jennifer Barrett
CONSULTING SERVICES
4024 Westside Road
Healdsburg, CA 95448

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Table 1

Year	Population (millions)	GDP (billions of dollars)	Per capita GDP (dollars)
1950	2.5	100	40
1960	3.0	200	67
1970	3.7	400	108
1980	4.4	800	182
1990	5.3	1500	283
2000	6.1	2500	410
2010	7.0	4000	571
2020	7.8	6000	769

I. SUMMARY

INTRODUCTION

The Housing Element of the General Plan provides a statement of Cloverdale's housing goals and policies to guide decision making on housing issues. It establishes quantified objectives and a five year schedule of programs designed to address the identified housing needs of the community and to work towards the attainment of decent housing and a suitable living environment for all economic segments of the community.

The content of the Housing Element also reflects changes in State legislation which provides the regulatory framework focusing on three fundamental components. Article 10.6 of the California Government Code states that the housing element shall contain:

- o A review of the existing Housing Element to evaluate the appropriateness, effectiveness and progress of the City's goals, objectives, policies and programs;
- o An assessment of housing needs and an inventory of resources and constraints to the meeting of those needs;
- o A statement of the community's goals, quantified objectives, and policies relative to the maintenance, improvement, and development of housing; and,
- o A program which sets forth a five-year schedule of actions the City is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element.

More specifically, the law requires that the housing element contain an identification and analysis of existing and projected housing needs, including: an analysis of population and employment trends; the locality's share of the regional housing need; an analysis and documentation of household characteristics and housing stock condition; an inventory of land suitable for residential development and analysis of the relationship of zoning and public facilities to these sites; an analysis of potential and actual governmental and nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels; an analysis of special housing needs, such as those of the handicapped, elderly, large families, farmworkers, female headed households and homeless persons; and, an analysis of opportunities for energy conservation. Furthermore, the goals, objectives and policies of the Housing Element should establish the maximum number of units that can be constructed, rehabilitated and conserved over the time frame of the element.

The housing goals and policies described in Cloverdale's 1978 Housing Element have been revised and updated by an expanded program effort which responds to current housing needs. The recommended housing program emphasizes 1) the rehabilitation and weatherization of the City's older housing stock to preserve and improve existing housing conditions; 2) expanding public services to eliminate constraints and accomodate projected growth; 3) utilizing regulatory incentives and state and federal programs to assist in the production of low and moderate income housing; and, 4) providing special services and assistance to ensure equal housing opportunity for all segments of the community.

The provision of affordable housing is an objective the City cannot accomplish by itself. Implementation of the new housing program will require the City to become actively involved with both the private sector and other public agencies. The City's role as community liaison would facilitate the development of affordable housing by utilizing various public and private funding sources, implementing a number of regulatory techniques and land use measures, as well as, providing private sector incentives.

Data Sources

The data used in this element were taken from the 1980 U.S. Census, Department of Finance Population Estimates, ABAG's "Projections 83" and "Housing Needs Determinations" and Records and Special Surveys conducted by City staff. Other sources of information included the Housing Authority, Planning Department and Assessor's Office of the County of Sonoma; industry publications; local newspapers; and, interviews conducted by the consultant. The Planning Area Boundary used in the analysis of projected needs includes the unincorporated area within the City's adopted Sphere of Influence. All references are indicated by footnote in the section entitled Needs Assessment and listed numerically in the List of References. A Glossary of Terms and Acronyms is also included as Appendix B.

Relation to Other Elements

The Housing Element works with other elements of the General Plan to provide a set of consistent policies upon which land use and development decisions are based. Cloverdale's General Plan identifies environmental constraints, such as noise, geologic, seismic, flood, and fire hazards, which have been taken into consideration in the analysis of adequate sites and in the formulation of the housing policies contained in the new Housing Element. Goals and Policies contained in the Land Use, Circulation, Open Space and Conservation, Parks and Recreation Elements also

interface with the updated Housing Element and provide a network of policies to guide decision-making on land use decisions.

For example, the Land Use and Circulation Elements are the building blocks that integrate the other elements. These two elements define the city form, densities, and the location and movement of people and goods. The Open Space and Conservation Element preserves sensitive areas which are essential to maintaining the quality of life within the community. Provision for public facilities and open space are part of the development approval process for both residential and non-residential projects. The Parks and Recreation Element determines recreational needs and designates sites for future park and recreational opportunities within the community. The Seismic/Safety Element makes recommendations for guiding and regulating development in hazardous areas and introduces safety considerations into the planning process. It relates to the Housing Element by emphasizing the safety features in residential projects and regulates the development of housing in order to protect lives and property. The Noise Element requires new developments to mitigate surrounding noise impacts in order to provide a pleasant living environment. As projects are proposed and reviewed in the approval process, the implementation of the policies contained in the General Plan will ensure that new developments are consistent with the stated goals of the community.

Public Participation

Citizen participation is an important component in the development and implementation of the Housing Element. The Housing Element was initially developed by the Consultant with assistance from City Staff. In order to obtain input from various sectors of the community numerous interviews were conducted by the consultant. Public participation and input is encouraged through the public hearing process as the Draft Housing Element is reviewed and adopted. The City will provide public notice and support individuals, organizations and community interest groups who respond by making comments and recommendations to revise, improve and facilitate the housing program. An annual review of the City's progress should be conducted and presented at public meetings in order to evaluate the appropriateness and effectiveness of the City's housing programs and make suggestions regarding further actions that may be needed. The Housing Element should be updated in 1990 and a new five-year program developed to continue the City's efforts to provide suitable housing for all current and future residents.

REVIEW OF EXISTING HOUSING POLICIES AND PROGRAMS

Cloverdale's existing housing policies have focused on three primary areas of concern: 1) the provision of adequate sites for the production of new housing; 2) establishing design and development policies to facilitate a variety of housing types; and, 3) the rehabilitation of existing housing.

During the past five years there has been very limited development activity in Cloverdale, primarily due to high interest rates and unemployment during the 1981-82 recession. The most recent housing developments in Cloverdale have included a number of rental units, single family lots, and 18 dwelling units financed by the California Housing Finance Agency. The City has recently annexed over 300 acres of vacant developable land, designated primarily for residential development. The provision of adequate facilities remains as the next step in the City's efforts to provide for the production of new housing.

The 1978 Housing Element also established flexible development standards through the use of Planned Developments to encourage a broad range of housing types, densities and costs. The use of this type of land use designation will also provide for open space and recreational opportunities and preserve environmentally sensitive areas in future developments.

Housing rehabilitation efforts have emphasized voluntary code enforcement in which owners are encouraged to bring their units up to code through free inspections and an educational program. The City has been successful in receiving Community Development Block Grant (CDBG) funding for drainage improvements in a targeted low and moderate income neighborhood. By seeking additional Community Development Block Grant funding, the City's efforts to conserve and improve existing housing quality will continue. City staff is currently in the process of developing a capital improvement plan that will provide for expanded services and public infrastructure improvements in order to eliminate constraints to development of housing.

In addition, the City has studied the feasibility of forming a Redevelopment Agency to revitalize the downtown area. In light of recent developments planned for Lake Sonoma, the Geysers and other commercial/industrial projects within the City, the proposed redevelopment project may not be necessary. However, it is recommended that the City consider redevelopment if the existing constraints to development cannot be alleviated by the private sector.

SUMMARY OF HOUSING NEEDS

The following summarizes housing issues in Cloverdale and provides a reference for the demographic analysis used in developing the quantified objectives and establishing the five-year schedule of programs.

Cloverdale, located in the northernmost reaches of Sonoma County, has grown at a slower pace than other communities in the area with an estimated 1985 population of 4,600 people within the City Limits and 6,400 within the Sphere of Influence. Over the next decade, Sonoma County is projected to be the fastest growing area in the San Francisco Bay Region accompanied by the largest increase in jobs. Cloverdale is expected to attract a portion of this growth with a projected 1990 population of 5,200 people. Within the City's Sphere of Influence, population is projected to reach 7,700 people and new construction is expected to add 1,100 new housing units.

A profile of the community reveals that Cloverdale has followed national trends with a gradual aging of the population and decreasing number of school age children. The average household size has decreased from 2.80 in 1970 to 2.46 in 1980. This trend is expected to continue in response to lifestyle changes, deferring child bearing, increased divorce rates and a tendency for young people to establish their own households at a younger age. Consequently, population growth has slowed, but there has been an increase in household formations. In addition, Cloverdale has attracted many retired people from the San Francisco Bay Area and has a large elderly population. The significance of these trends is that they will affect housing preferences.

The majority of households in Cloverdale are small, one and two person households comprising 61% of the total occupied housing units. This reflects a number of elderly, single and childless adults with a median age of 35.4 years. Single and childless two person households tend to have a higher combined income and prefer a high amenity lifestyle, increasing the demand for condominiums and units in planned developments. A significant number of households in Cloverdale are small families (31% of all households) indicating a need for smaller, more basic homes that are affordable to young persons forming new households.

Special housing needs in Cloverdale include a number of elderly, handicapped, large families, female headed and minority households who often experience housing discrimination and affordability problems that are generally not accommodated by the private housing industry. According to the 1980 Census, approximately 28% of all households in Cloverdale were occupied by senior citizens with 30% of the elderly households living near poverty. However, census figures also show that 34% of all owner-occupied households had no mortgage payments. The long term residency of many Cloverdale residents

indicate that the housing needs of many elderly residents are being met through the existing supply of housing.

Elderly households also have special needs related to handicapped access, public transportation and housing in close proximity to medical and community facilities. The existing needs of elderly households could be met through targeting of low income units, the provision of second units, participation in housing assistance and rehabilitation programs and special services.

Recent increases in divorce rates throughout California have contributed to new household formations resulting in the creation of a new household headed by an unmarried woman with children. While 9% of all households in Cloverdale are female headed, a disproportionate share of those living below poverty (35%) are families headed by women. Single parents and families with children have special needs for child care services, public transportation, and child-oriented recreation facilities. In addition, an estimated 3.5% of the total households are overcrowded, indicating a need to expand the supply of family size housing in Cloverdale. Housing programs for low and moderate income households should make provisions for single parents and families, as well as, elderly households.

In addition to these special housing needs, many households are overpaying for housing. According to 1980 census figures an estimated 19% of all households were paying more than 30% of their incomes for housing. Overpayment is especially critical for lower income households who pay a disproportionate share of their incomes for housing. An estimated 205 lower income households (13%) were overpaying for housing and could be eligible to participate in housing assistance programs.

In 1980, Cloverdale's median household income was \$16,682, slightly lower than the County median of \$17,734. The regional classification of income levels prepared by the Association of Bay Area Governments (ABAG) indicates that 49% of the households in Cloverdale are Lower Income, earning less than 80% of the median income for the region; 22% are Moderate Income, earning up to 120% of the regional median income; the remaining 29% are classified as above moderate income. These figures illustrate that in comparison to the regional distribution, Cloverdale is highly impacted with lower income households.

The needs of low and moderate income households have become increasingly difficult to meet in today's housing market. Most of the lower income households have been priced out of the homebuying market and must rely on the limited supply of rental housing. While moderate income households can generally afford most of the rentals available in Cloverdale, homeownership opportunities are extremely limited. Rapidly escalating construction costs, land costs, and rising interest rates makes the provision of new housing for low and

moderate income households an impossible goal to achieve without some form of local, state or federal assistance. Recommended programs to assist in the development of low and moderate income housing include density bonus incentives, bond financing and the provision of mobile homes and manufactured housing.

While household incomes have been gradually rising, they have not kept pace with the rapidly escalating costs of housing. Although housing costs are generally 25% lower in Cloverdale than the average for the county, the median value has increased 56% from \$44,864 in 1975 to \$70,042 in 1980. Current housing surveys estimate a median value of \$79,500 in 1984 - an increase of 14%. Median rent has increased 47% in recent years due to extremely tight housing conditions in rental markets. Likewise, construction costs have increased by 37.5% over the past five years, contributing to the high cost of new housing. Nonetheless, according to ABAG's projections, the lower cost of housing and available land in Cloverdale is expected to generate a housing boom, increasing the housing stock by 40% over the next five years.

Cloverdale's existing housing stock consists of a number of older units needing some form of rehabilitation estimated at 20% of the total housing stock (approximately 330 units). Many of these older units do not have adequate insulation which adds to monthly housing costs through increasing utility bills. The potential for energy conservation in the residential sector has been estimated at a 30% savings by the year 1990 with an active local policy towards achieving this goal. In addition, certain low and moderate income neighborhoods are in need of public infrastructure improvements to improve the sewer collection system, storm drainage and provide adequate fire flows. The recommended housing program emphasizes funding sources for the rehabilitation and weatherization of the existing housing stock and the provision of public improvements in low and moderate income neighborhoods as a means of preserving the existing supply of affordable housing.

Housing availability is also a critical concern in Cloverdale where vacancy rates have dropped below 2% in the past 4 years - far below the 4.5% optimal rate established by the Association of Bay Area Governments (ABAG). Recent surveys have shown no vacancies in multi-family units or mobile homes. Construction starts have not kept up with the projected demand over the past 5 years, primarily due to higher interest rates. These factors indicate a strong demand for both owner and rental units and an urgent need to expand the supply of housing not only to provide for the projected needs of the growing population but also to provide an adequate choice in housing to avoid undue housing inflation. Recommended strategies to facilitate the production of new housing focus on expanding public facilities and services and lowering site improvement costs through flexible design criteria. The City could also participate with other

communities in issuing bonds to provide below market rate financing for first time homebuyers and the construction of rental units.

The projected new construction need for the 10 year period from 1980 to 1990 as provided by the Association of Bay Area Governments was 1,178 new units (within the Sphere of Influence). Since 1980, only 82 new units have been constructed with 2 conversions. This provides a remaining new construction need for the 5 year period from 1985 to 1990 of approximately 1,100 units. An analysis of vacant sites in Cloverdale concludes that there is sufficient land to accomodate the projected growth with approximately 300 acres of residentially zoned land. The majority of vacant land in Cloverdale has been recently annexed to the City and is currently proposed for two large Planned Developments to be built-out over a 10 to 20 year period. It is estimated that 700 new units could feasibly be constructed over the next 5 years within the City's current boundaries based on the number and phasing of units currently in the planning process. A variety of housing types and costs are proposed, including detached single family units, cluster residential, multi-family and mobile homes. The remaining 400 units needed to meet the projected demand could be developed on unincorporated residential sites within the City's Sphere of Influence. Additional units to meet the needs of low and moderate income households could also be constructed through the provision of density bonuses and second units.

The high cost of extending public improvements coupled with rising interest rates and escalating land and construction costs present major constraints to the development of housing and especially for housing affordable to low and moderate income households. Governmental constraints to housing are minimal in Cloverdale where there is ample developable sites, fees are reasonable and processing time is minimal. A significant constraint to the development of housing in Cloverdale exists in the capacity of public facilities. Currently the existing water storage system is not sufficient to provide adequate fire flows and a new storage facility is needed to accomodate projected growth. Although the City's sewer treatment plant has been recently expanded, the collection system is inadequate in certain areas and needs replacement in order to accomodate new construction. The large tracts of developable land recently annexed to the City will require major public infrastructure improvements as well as expanded services which add to the high cost of new housing. The recommended housing strategy for the next five years focuses on alleviating these constraints by seeking appropriate funding sources to expand public services, providing regulatory incentives, and participation in various state and federal programs.

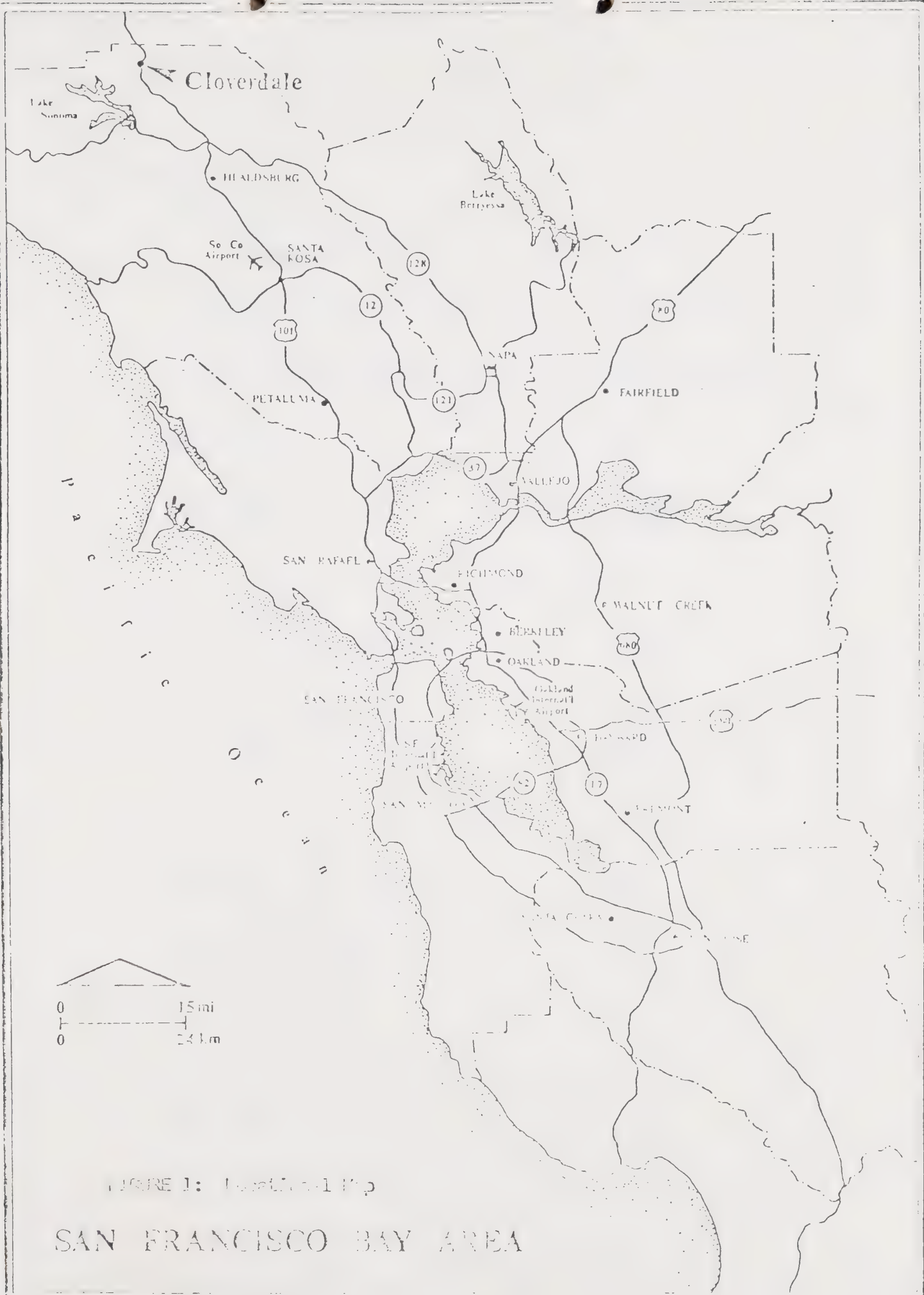


FIGURE 1: 100,000:1 Map

SAN FRANCISCO BAY AREA

TABLE 1
SUMMARY FACT SHEET

Population

1980 Population	3,989	
Group Quarters	70	
Household Population	3,919	
1985 Population City Limits	4,600	County estimate
1985 Population Sphere of Influence	6,400	ABAG projection
1990 Projected Population City Limits	5,200	County estimate
1990 Projected Population Sphere	7,700	ABAG projection

Age Distribution

Under 18	24.8%
18 to 64	57.0%
Over 65	18.1%

Income Distribution

1980 Cloverdale Median Income	\$16,682
Very Low Income	35%
Low Income	14%
Moderate Income	22%
Above Moderate	29%

Special Needs

% of Total Population

Elderly Households	25%
Housing Assistance/Overpayment	13%
Female Headed Households	9%
Handicapped Population	8%
Minority Households	7%
Overcrowded Households	4%

Housing Characteristics

1980 Total Housing Units	1,656
Occupied Households	1,591
1984 Total Housing Units	1,770
Occupied Households	1,702

Type and Tenure of Units

Owner-occupied Households	62.5%
Renter occupied Households	37.5%
Single Family Units	72.7%
Multi Family Units	18.9%
Mobile Homes	8.4%

Vacancy Rates

1980 For-Sale	.8%
1980 For-Rent	1.0%
Total Available 1980	1.8%
1984 For-Sale	1.3%
1984 For-Rent	.0%
Total Available 1984	1.0%

Housing Costs

1980 Average Sales Price	\$ 70,500
1980 Vacant For-Rent Average	\$281
1984 Average Sales Price	\$ 79,500
1984 Rental Survey	\$413

New Construction Needs

1985-1990 Sphere of Influence	1,100 units
1985-1990 City Limits	700 units

Available Land

Incorporated Residential Sites	293.5 acres
Projected Build-out	1234 - 2849 units

II. HOUSING GOALS, POLICIES AND PROGRAMS

HOUSING GOALS, POLICIES AND IMPLEMENTATION PROGRAMS

The following presents community goals and policies for the maintenance, improvement and development of housing for the City of Cloverdale. A schedule of implementation programs designed to address the issues and achieve the goals over the five-year time frame of the element are recommended together with quantified objectives as required by State law.

GOAL: THE PROVISION OF OF A BROAD RANGE OF HOUSING CHOICES AND AN ADEQUATE HOUSING SUPPLY BY FOR ALL INCOMES, AGES AND LIFESTYLES.

POLICIES

- * Support new developments which provide a mix of housing types, styles, sizes and building densities and which have safe and convenient access to schools, parks, transportation, commercial facilities and employment opportunities.
- * Encourage the provision of an adequate number of both rental and owner units in order to maintain an optimal vacancy rate.
- * Provide incentives for the integration of low and moderate income housing in existing and proposed housing developments by offering regulatory concessions, where appropriate, and employing developmental controls.
- * Support efforts to minimize development costs, interest rates and other housing financing costs.

IMPLEMENTATION PROGRAMS

1. Continue to monitor the supply of vacant land and evaluate the development capability to determine if adequate sites exist to provide a range of densities including sites for mobile-homes, manufactured housing, and rental units.

Objective: 700 new units by 1990.

Target Date: Ongoing review on an annual basis

2. Develop a master plan for the expansion and improvement of public infrastructure and services to accommodate the projected growth of the City and actively seek adequate funding to provide such services.

Objectives: Expand water storage capacity; improve sewer collection system; provide additional fire, police, recreation and school services, as needed.

Target date: 1986 for completed plan.

3. Adopt a density bonus policy in accordance with state law to outline the process and procedure for bonus incentives; establish criteria for the selection of suitable sites and target housing types to meet the identified needs of the community.

Objective: 50 new units for low/moderate income households over 5 years (10 units per year).

Target date: 1985 for adoption of policy.

4. Adopt a second unit ordinance that will identify allowable areas for the construction of additional units on large lots in single family neighborhoods and establish requirements to preserve the character of existing neighborhoods.

Objective: 5 units per year or 25 additional units for lower income households by 1990.

Target Date: Ongoing 1985-1990

5. Work with local developers and actively seek sources of funding through governmental programs and private financing to meet the housing needs of low and moderate income households by coordinating with the Santa Cruz County Housing Authority as the principal administrator of the programs.

Objective: Evaluate the feasibility of issuing bonds (possible joint venture with other communities) to provide below market rate financing for first-time home-buyers and the construction of rental units.

Target date: Ongoing 1985-1990

GOAL: TO CONSERVE AND REHABILITATE THE EXISTING SUPPLY OF AFFORDABLE HOUSING AND MAINTAIN THE QUALITY AND INTEGRITY OF ESTABLISHED NEIGHBORHOODS.

POLICIES

- * Encourage owners and tenants of dilapidated or deteriorated housing units to rehabilitate or reconstruct their dwellings.
- * Preserve historic and architecturally significant structures, sites and neighborhoods within the community.
- * Encourage the continued owner-occupancy of the City's older housing stock and discourage high speculation in rehabilitation areas in order to conserve the existing supply of affordable housing.
- * Encourage the participation of homeowners associations and neighborhood groups in initiating street beautification programs and neighborhood restoration in areas of need.

IMPLEMENTATION PROGRAMS

1. Survey the condition of existing housing and establish target areas by providing free inspections to identify potential hazards, code violations, and possible energy conservation measures that could be remedied through a voluntary code enforcement program.

Objective: Identify low and moderate income neighborhoods needing rehabilitation.

Targeting: 1985 and ongoing

2. Evaluate the adequacy of existing infrastructure in low and moderate income neighborhoods and identify problem areas.

Objective: Maintain existing public infrastructure and provide improvements where needed.

Targeting: 1985 and ongoing

3. Work with the Sonoma County Housing Authority to set up a rehabilitation program and apply for rehabilitation funds such as Community Development Block Grants, Section 8 and other available programs.

Objective: Rehabilitate 10 units per year (50 units by 1990) and provide public infrastructure improvements in low and moderate income neighborhoods.

Target date: 1985 and ongoing

4. Develop a program to identify historic residences and seek funding to rehabilitate and maintain these structures.

Objective: Rehabilitate architecturally significant structures.

Target Date: 1987 for survey of sites

GOAL: TO REDUCE RESIDENTIAL ENERGY CONSUMPTION AND PROMOTE THE USE OF ALTERNATIVE ENERGY SOURCES

POLICIES

- * Encourage the use of solar energy and conservation measures in the design of new subdivisions and enforce new state energy standards.
- * Promote energy conservation measures in the rehabilitation of the City's older housing stock

1.2.4 MUNICIPAL BUILDINGS

1. Develop a public education and demonstration program in the area of energy conservation and create an awareness of available programs by working with the local utility to evaluate municipal energy use and implement energy conservation measures in municipal buildings.

Objective: Reduce municipal energy consumption 20%.

Target Date: 1985 and ongoing

2. Establish a voluntary energy conservation retrofit program in which owners and renters will be encouraged to insulate water heaters and weatherize their homes.

Objective: Weatherize 20 units per year under the existing utility program..

Target Date: 1986 and ongoing

3. Actively enforce new state energy standards of Title 24.

Objective: Ensure energy conservation in new developments.

Target Date: Ongoing

4. Adopt solar access guidelines providing design criteria and procedures for the review of development plans to ensure solar access in future housing developments.

Objective: Promote the use of solar energy.

Target Date: 1987 and ongoing

5. Initiate a community-wide recycling program by renegotiating the refuse disposal contract to include separate pick-up of newspapers, cans and bottles at curbside or in bins throughout the city.

Objective: Prolong life of existing landfill, reduce waste and conserve non-renewable resources.

Target Date: 1988

GOAL: TO PROVIDE SAFE, DECENT AND AFFORDABLE HOUSING AND ENSURE EQUAL HOUSING OPPORTUNITIES FOR ALL ETHNIC SEGMENTS OF THE COMMUNITY

POLICIES

- * Encourage housing developments which meet the special needs of elderly, handicapped, single parents and minorities.

- * Encourage fair housing practices and continue efforts to ban discrimination in housing based on race, age, sex, family size, or marital status.

IMPLEMENTATION PROGRAMS

1. Provide public information on available housing and assistance programs by referral to the Sonoma County Housing Authority and continue participation and cooperation with the County in developing new programs to assist low and moderate income households.

Objective: Assistance for 25 additional households from Existing Section 8 Housing Assistance program.

Target Date: 1985 and ongoing

2. Assist local residents who experience housing discrimination or landlord/tenant conflicts by referral to the Sonoma County Rental Information and Mediation Service (SCRIMS) and other local agencies that handle discrimination complaints.

Objectives: Set up a process for assisting local residents with housing discrimination problems.

Target Date: 1985 and Ongoing

3. Apply for all appropriate federal and state housing assistance programs consistent with staff capacity.

Objective: Provide 60 rental units of assisted housing for lower income households through FHMA Section 515.

Target Date: 1985

4. Review development applications for the provision of handicapped access and target low income units for the special needs of elderly, single parents, large families and minority households.

Objective: Target low income units to meet the special needs of the community.

Target Date: 1985 and ongoing

GOAL: TO PROVIDE A BALANCED RESIDENTIAL ENVIRONMENT AND MAINTAIN A SENSE OF NEIGHBORHOOD AND COMMUNITY IDENTITY WITH ACCESS TO EMPLOYMENT, COMMUNITY FACILITIES AND ADEQUATE SERVICES.

POLICIES

- * Ensure residential developments are compatible with surrounding neighborhoods in terms of architectural design, layout, and traffic circulation.
- * Encourage designs that provide adequate facilities, open space and recreational opportunities, outdoor living spaces, and privacy for each dwelling unit.
- * Promote retention of existing natural features and vegetation in the design of new developments.
- * Encourage residential developments that emphasize energy and water conservation and maximize energy efficient travel patterns.
- * Minimize housing construction in environmentally hazardous areas.

IMPLEMENTATION PROGRAMS

1. Evaluate proposed developments for consistency with the Goals and Policies of the City's General Plan and follow guidelines contained in the Land Use, Seismic/Safety, Open Space and Conservation Elements.

Objective: General Plan Consistency.

Target Date: Ongoing

2. Designate priority development areas to coincide with the capacity and expansion of public facilities and determine appropriate residential densities, public infrastructure improvements and environmental impacts of projected development in these designated growth areas.

Objective: Provision of sufficient sites with adequate facilities to accommodate projected growth.

Target Date: 1985-86 and Ongoing

QUANTIFIED OBJECTIVES

In accordance with State law, Cloverdale's Housing Program establishes feasible quantified objectives for the production, maintenance and improvement of housing over the five-year time frame of the element. It is recognized that the total housing needs identified may exceed the available resources and the ability of the community to satisfy this need within the content of the general plan requirements. Under state law, the quantified objectives need not be identical to the identified housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated and conserved over the five year time frame of the element. The following quantified objectives were arrived at by evaluating the provision of adequate sites, the potential availability of funding and the feasibility of the programs based on the needs analysis.

TABLE 2

SUMMARY OF QUANTIFIED OBJECTIVES

Objectives for the creation of New Housing Units 1985-1990:

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above</u>	<u>Total</u>
Second Units	25				25
Density Bonus			50		50
Rental		20	120		140
Mobile/Manufacture Homes		30	55		85
Other				400	400
TOTAL	25	50	175	400	650

Objectives for the Rehabilitation and Conservation of the existing housing stock 1985-1990:

Rehabilitation	50 units	CDBG & Section 8
Weatherization	100 units	Utility Program
Housing Assistance	25 households	Section 8 rental
	60 units	FmHA Section 515

RECOMMENDED HOUSING PROGRAM STRATEGIES AND POTENTIAL FUNDING SOURCES

Providing affordable housing for Cloverdale residents and potential future residents continues to be a problem. Currently, there is a housing shortage and the high cost of construction, financing and expanding public services present constraints to the development of housing that the City can address through a number of techniques which will create a more favorable development climate and encourage the production of a variety of housing types. In addition, the City can play an active role to assist local residents, landowners, builders and developers in obtaining funding from various state and federal programs. The following recommended program strategies illustrate methods where local government regulatory measures can be used to promote the development of affordable housing and describes various state and federal programs that could be utilized to assist in financing.

LOCAL GOVERNMENT REGULATORY MEASURES

Local governments can implement a number of policies that will promote the construction of new housing and encourage the provision of units for low and moderate income households. Lower income housing programs should emphasize the provision of rental units and the conservation of the existing supply of affordable housing. Moderate income housing programs should focus on a wide range of homeownership opportunities including cluster residential units, manufactured housing and mobile homes. The following describes local government measures that can be taken to promote and conserve affordable housing.

1. Identify Adequate Sites for Housing Development: The City should designate priority development areas to coincide with the capacity and expansion of public facilities. Needed public infrastructure improvements should be determined and fees and rates established to finance the capital improvements. The City should continue to monitor the supply of vacant land to ensure that adequate sites exist for a broad range of housing types, densities and costs.
2. Priority Processing: The City should continue to work with developers in curtailing housing costs by processing applications in a timely and expeditious manner to avoid costly delays. Priority processing could be used for projects with provisions for low and moderate income housing in order to get development plans approved as rapidly as possible. A policy could be developed to speed up processing for such projects by giving them priority in Staff, Commission and Council review. This type of policy could be included as part of a density bonus policy.

3. Density Bonus Policy: In accordance with state law, the City must provide density increases or incentives of equivalent financial value to housing developments that include provisions for low and moderate income housing. Bonus incentives include: priority processing of development plans, waiver of fees, deferred improvements, reduced parking and other requirements and density increases. Density increases are generally granted at 25% over the otherwise allowable density and can substantially reduce land and site development costs. Under State law, 25% of the units proposed (not including bonus units) must be made available to moderate income households or 10% available to low income households in order to qualify for the bonus. The City has a rather flexible zoning code that provides a wide range of densities. A local policy could establish criteria for the selection of suitable sites, specify the number of bonus units for certain zones, and target housing types to meet the identified needs of the community. For example, reduced parking requirements could be granted for senior housing projects or the density increase policy could target the provision of rental units for lower income households.
4. Second Unit Ordinance: State law also requires cities to make provisions for second units on single family lots (often referred to as "granny flats"). These types of units can help provide for the needs of elderly and single persons since they are usually small rental units and can generate additional income for the homeowners. The City should adopt a second unit ordinance which will establish requirements for allowable areas, maximum heights, setbacks and other design criteria to preserve the character of existing neighborhoods and legalize many second units needing rehabilitation.
5. Downtown Residential and Mixed Use Zoning: Mixed use of housing and commercial in the downtown area can provide additional housing for elderly, singles, and business owners that is also convenient to local shopping and community facilities. Underutilized second story spaces can be used for housing and create a more viable downtown area. Projects which combine housing with compatible commercial uses will ensure new housing opportunities for employees of new businesses and can generate revenues to offset the costs of providing public services.
6. Condominium Conversion Policy: The City could develop a condominium conversion policy which may limit the number of conversions when the rental vacancy rate drops below an optimum level. Such a policy would preserve the existing supply of rental housing and could include requirements that owner/developers of converted units provide relocation assistance to the displaced tenants.

STATE AND FEDERAL PROGRAMS FOR NEW CONSTRUCTION

The City should evaluate potential sites for the construction of low and moderate income housing and assist in the development of such housing, by utilizing appropriate federal and state financing subsidies and coordinating efforts with the Sonoma County Housing Authority in administering the various programs. Among the available programs and funding sources are:

1. Rural Finance Marketing Program: This program provides rural homebuyers, builders, realtors, and developers with information about the California Home Finance Agency (CHFA) below-market rate mortgage program for financing first-time homebuyers of single-family new construction. Eighteen units have recently been constructed in Cloverdale under this program.
2. Community Development Block Grant Program: Costs of new housing could also be reduced if the City participated more actively in the Community Development Block Grant program administered by the Sonoma County Housing Authority. This program could be utilized to provide funding for a rehabilitation program or to provide public improvements in low and moderate income neighborhoods. CDBG funds can also be used under for "land-banking" in which the City purchases vacant land and sells it to the developer for a reduced price to construct low cost housing such as Section 8 or under the Farmers Home Administration programs. The money returned from the sale can be used to purchase more lands or directed to other programs.
3. Bond Financing: The City can issue bonds through the Sonoma County Housing Authority for both single family projects targeted for low and moderate income first-time home buyers and/or multi-family projects with 20% of the units affordable to lower income renters. A feature of tax exempt bonds is that the local government lends its name to the bond issue to secure the advantages of tax exemption but incurs no general obligation liability. The security offered to bond holders is the underlying loan and associated capital revenues. The bond issues provide below market rate financing to developers for construction of the multi-family units and mortgage financing to the first-time home buyer. The City could joint-venture with another community to make a bond issue more feasible.
4. Section 202 Construction Financing: Additional units for low and moderate income households could potentially be developed with Section 202 construction funding. The City could work with local developers, non-profit groups and the Sonoma County Housing Authority to assist in applying for this funding.
5. Rural Land Purchase Fund: The Rural Land Purchase Fund provides 7 percent loans to local governmental agencies and nonprofit

organizations for the purchase of land to develop housing for low income persons. The City or nonprofit group could purchase land through the fund and then sell the property at below market price in order to provide for the construction of low-income units.

6. Rural and Urban Predevelopment Loan Funds: The Rural and Urban Predevelopment Loan Funds provide 7 percent loans to local governmental agencies, nonprofit organizations and cooperative housing corporations for the preliminary costs of developing assisted housing for low income families, elderly or handicapped persons. Authorized costs include site acquisition and preparation; architectural, engineering, legal, permit and application fees; and bonding expenses.
7. Self-Help Programs FmHA Section 523: The FmHA self-help program involves the cooperative work of groups of families to provide a major portion of the labor required in the construction of their homes. Mortgage credit is made available under the regular Section 502 program and includes interest credits. In addition, FmHA can make grants to qualified public bodies and private nonprofit groups to organize and assist families in utilizing the self-help program. It is estimated that the use of "sweat equity" can help reduce construction costs by up to 50%.
8. Homeowner Loans FmHA Section 502: The major portion of FmHA's housing assistance is provided under this basic homeownership loan program. Loans provided under this program may be used to purchase an existing structure or a newly constructed one, or to build, rehabilitate or relocate a single family dwelling. To qualify, applicants must be without decent, safe, and sanitary housing and must have an adequate repayment ability for the loan. Both low and moderate income families are eligible; however, below market interest rates are available to low income families only.
9. Rental Housing Construction Program FmHA Section 515: The Rental Housing Construction Program provides funds, through local agencies or the California Housing Finance Agency (CHFA) for the development of new rental units by private, nonprofit or public agency sponsors. Not less than 30% of the units in each rental development assisted under the program are to be made available to the households of low and very low income. The remaining units in each development may be made available to moderate-income market rate households. An annuity fund has been established to provide rent supplements to sponsors of rental housing being financed under the Farmers Home Administration 515 program to ensure affordable rents to eligible households. A 60 unit apartment complex for the elderly has been proposed under this program for a site designated for mixed use near the downtown area.

10. Housing Development Corporations: Housing Development Corporations (HDC) are initiated and directed by local residents for the purpose of building or rehabilitating affordable housing. HDC's can be non-profit or profit oriented and provide an excellent vehicle to channel funds for joint ventures between the City and the private sector. A number of housing projects have been constructed throughout Sonoma County using Housing Development Corporations to secure funding from Community Development Block Grant Programs, Section 202, and the California Housing Finance Agency. Neighborhood Housing Services provides considerable expertise and advise to communities on ways HDC's can be used to meet the needs of low and moderate income households.
11. Redevelopment Tax Increment Funding: The redevelopment process may be considered as a possible source of revenue to redevelop the downtown area, improve public infrastructure and expand services, especially in low and moderate income neighborhoods and where private development alone cannot alleviate constraints. A redevelopment agency accrues tax increment revenues from any development or improvements in the redevelopment project area. Through the state redevelopment process, 20% of all tax increment revenues must be made available to improve or expand the supply of low and moderate income housing. Secured bonds could be issued to finance mortgages, to establish a revolving loan fund or any other kind of housing assistance program.

REHABILITATION AND CONSERVATION PROGRAMS

The Sonoma County Housing Authority currently operates several rehabilitation programs funded through the CDBG program and the State Department of Housing and Community Development. These programs include the Bankable Loan Program, the Deferred Payment Loan Program, the Self-Help Rehabilitation Program and the Section 8 Moderate Rehabilitation Program.

1. Rehabilitation Local Government Assistance Program: The State Department of Housing and Community Development provides technical assistance and training sessions for those cities, counties, and nonprofit corporations operating or planning housing rehabilitation programs. Subject areas covered are loan packaging with HUD funds, multi-family rehabilitation, FmHA 504 loan packaging and program policy and administration.
2. Bankable Loan Program: The Bankable Loan Program provides interest subsidies on loans made by participating private lenders. Loans are 90% insured by the Federal Housing Administration. Interest subsidies are paid from Community Development Block Grants. In general, the Bankable Loan Program

is designed to assist low and moderate income owner-occupants to rehabilitate thier homes.

3. Deferred Payment Rehabilitation Loan Program: The Deferred Payment Loan Program provides funds for deferred payment loans to low and moderate income homeowners and renters. Delayed payment loans are due only upon sale or transfer of the improved dwelling or the end of the loan term. The borrower makes no monthly or other periodic payments to pay off the loan. Loans are made directly from Community Development Block Grant funds to qualified residents of targeted neighborhoods. Local government agencies and non-profit corporations that are operating rehabilitation programs are eligible to apply for fund commitment.
4. Self-Help Rehabilitation Program: The Self-Help Rehabilitation Program provides technical assistance, information and referral and subsidized bankable or delayed payment loans to low and moderate income owner occupants, renters and or investor/owners.
5. Section 8 Rehabilitation Programs: The Section 8 Moderate and Substantial Rehabilitation Programs are used to encourage rehabilitation of investor-owned rental properties. The Moderate Rehabilitation Program is administered in a similar manner except that owners of units rehabilitated may receive higher rents than are available under the current Section 8 Program.
6. Energy Conservation Programs: The local utility (PG&E) will provide free energy audits and zero interest loans to homeowners as well as renters who install the six major conservation measures known to be cost-effective. These measures include: ceiling insulation, water heater blankets, weather stripping of doors and windows, low flow showerheads, duct insulation, and thermostat timers. The cost of the improvements are financed with no interest over five years and can be completed by the owner or a qualified installer. Monthly payments usually average between \$5 to \$20 per month with savings of up to 30% on utility bills. PG&E representatives will assist residents in locating qualified installers and applying for the loan.

HOUSING ASSISTANCE AND SPECIAL NEEDS

1. The Sonoma County Housing Authority administers the Section 8 Existing Housing Program, which provides rent supplements to low income tenants. Projects which are subsidized by state and federal construction financing for low income units may be eligible to receive Section 8 certificates for rent supplements. Low income residents who are currently paying more than 30% of their incomes for housing may be eligible for housing assistance and should apply to the Sonoma County Housing Authority. The

Housing Authority currently receives approximately 75 certificates per year to be allocated among 5 general areas of the county. However, funding for this program is expected to be cut-back, reducing the number of certificates or the amount of assistance or possibly both.

2. The Sonoma County Rental Information and Mediation Service provides information and assistance to persons who experience housing discrimination or landlord/tenant conflicts. The service is operated under contract with the Sonoma County Housing Authority. Other local agencies which handle discrimination complaints include: Sonoma County People for Economic Opportunity; Sonoma County Commission on Aging; Commission on the Status of Women; the California Division of Fair Employment and Housing; and, the California Human Development Corporation.
3. Emergency Housing Program: The Emergency Housing Program provides direct grants to local government or nonprofit organizations that shelter needy persons and families on an emergency basis. Grants are awarded on a competitive basis to eligible organizations.

TABLE 3

SUMMARY AND TIME-FRAME FOR IMPLEMENTATION OF HOUSING PROGRAMS

PROGRAM/ACTION	RESPONSIBLE AGENCY	FUNDING SOURCE	TIME-FRAME
Identify appropriate sites for residential developments and designate priority development areas	City staff Planning Commission City Council	Staff budget	1985-86 1985-86
Develop Capital Improvement Plan to expand public services and alleviate constraints	City staff; City Council		1985-86
Continue to process applications in a timely and efficient manner and provide incentives for affordable housing	City staff Planning Commission City Council	Staff budget	ongoing
Consider adoption of policies to conserve and increase the existing supply of affordable housing:	Planning staff; Planning Commission; City Council	Staff budget	1985-1990
Density Bonus Policy			1985-86
Second Unit Ordinance			1985-86
Downtown Residential Zoning			1986-87
Condominium Conversion Ordinance			1988-89
Evaluate potential sites for low and moderate income housing	City Staff; So. Co. Housing Authority;	State and Federal programs; private sector incentives	1985-1990 ongoing

TABLE 3 (cont'd)

SUMMARY AND TIME-FRAME FOR IMPLEMENTATION OF HOUSING PROGRAMS

PROGRAM/ACTION	RESPONSIBLE AGENCY	FUNDING SOURCE	TIME-FRAME
Survey existing housing stock condition	Building Inspector Fire Marshall	Staff budgets	1985-1990 ongoing
Apply for appropriate state and federal programs:	City Staff; So. Co. Housing Authority; local developers	Staff budgets	1985-86 ongoing
Apply for CDBG funding for Rehabilitation and public improvements in low and moderate income neighborhoods	"	"	
Study feasibility of issuing single family and multi-family bonds for new construction	"	"	
Study feasibility of utilizing FmHA Section 515 to construct 60 assisted housing units	"	"	1985-86
Study feasibility of utilizing redevelopment process	"	"	1987-1990

TABLE 3 (cont'd)

SUMMARY AND TIME-FRAME FOR IMPLEMENTATION OF HOUSING PROGRAMS

PROGRAM/ACTION	RESPONSIBLE AGENCY	FUNDING SOURCE	TIME-FRAME
Initiate a voluntary energy retrofit program	Building Inspector Utility Representative	Utility Program	1985-1990 ongoing
Actively enforce Title 24 energy standards	Building Inspector	Staff budgets	1985-1990 ongoing
Initiate community-wide recycling program	City staff	Private sector disposal rates	1985-86
Provide public information on housing assistance	City Staff; So. Co. Housing Authority	Staff budgets	1985-1990 ongoing
Provide information and referral to SCRIMS on issues of housing discrimination	City Staff; SCRIMS	So. Co. Housing Authority Contract	1985-1990 ongoing

III. HOUSING NEEDS ASSESSMENT

COMMUNITY PROFILE

Regional Setting

Cloverdale is a small rural community situated in northernmost Sonoma County. The Russian River and fertile valleys bound the community on the east with a backdrop of coastal hills rising to the west. Historically Cloverdale has had a resource based economy oriented toward forest product manufacturers and other agriculturally related producers. Although Cloverdale is somewhat insulated from the growing urban areas of Santa Rosa and Southern Sonoma County, recent activities of Geothermal Development at the Geysers (to the east) and the completion of recreational facilities at Lake Sonoma (directly west of the City) are expected to generate new employment opportunities and attract newcomers to settle in the area.

Population Trends

Cloverdale experienced very slow population growth during the 1920's and 1930's increasing 6% each decade. In-migrants began to settle in Cloverdale during the 1940's and 1950's attracted by the availability of housing and timber related employment. As shown in Table 4 population growth during this period far outpaced the average growth experienced in the County and the San Francisco Bay Region with a dramatic 60% growth over 1940's and 120% growth during 1950's. The period from 1960 to 1970 showed only moderate population growth of 14% compared to the County average of 39%. During the past decade Cloverdale's population grew from 3,251 in 1970 to 3,989 in 1980 - an increase of 23%. The County average growth over the same period was 46%.

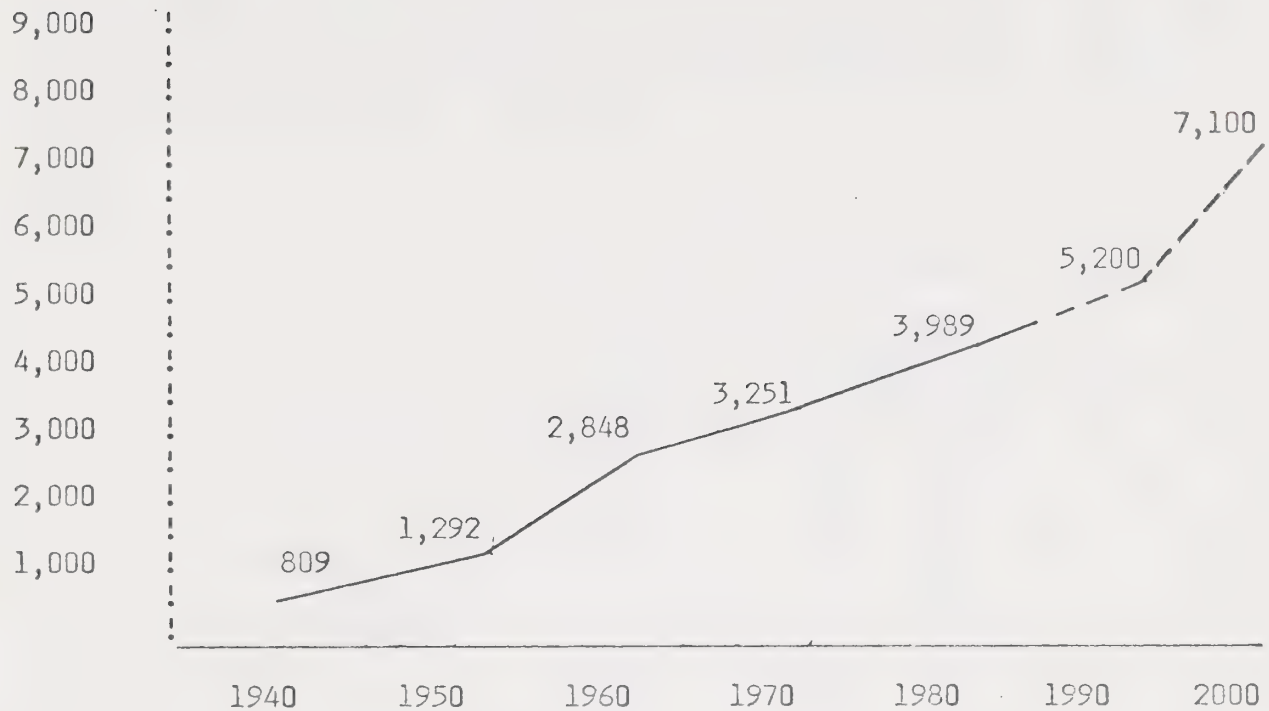
TABLE 4

POPULATION TRENDS

YEAR	POPULATION	PERCENT CHANGE	SONOMA COUNTY	ASAC REGION
1920	718	-		
1930	759	6.0%		
1940	809	6.0%	-	
1950	1292	59.7%	49.7%	-
1960	2848	120.4%	42.5%	35.7%
1970	3251	14.2%	39.0%	27.3%
1980	3989	22.7%	46.3%	11.9%
1984	4244	6.4%	7.8%	

Source: U.S. Census; 1984 Dept. of Finance estimates

FIGURE 2
CLOVERDALE'S POPULATION TRENDS



Current 1985 population figures estimate 4,600 people within the City's boundaries and 6,400 including the unincorporated balance of the City's Sphere of Influence. These figures indicate a population growth rate of 15.3% over 5 years compared to the average for all cities in the County of 21.5%. While Cloverdale has been slow to grow when compared to other sections of the County, a population influx is expected in the next two decades attracted by the pleasant living environment, available housing and new employment opportunities.

Population, Housing and Employment Projections

According to a recent report from the Association of Bay Area Governments (ABAG), Sonoma County is projected to be the fastest growing county in the San Francisco Bay Region accompanied by the highest growth rate in jobs.¹ While most of this growth is projected to occur in Santa Rosa and southern Sonoma County, Cloverdale's population is projected to increase by 30% over 1980 figures by the end of this decade. Table 5 summarizes population, housing and employment projections for Cloverdale.

Cloverdale's projected population for 1990 is 7,700 people (within the Sphere of Influence) growing to 13,300 by the year 2000. The

projected population, household and employment growth, shown in Table 5, includes the unincorporated portion of the City's Sphere of Influence. An additional 1980 population of 1,520 persons occupy an estimated 546 households within the unincorporated balance of the City's Sphere of Influence. Projected figures for the incorporated City Limits are provided by the County's General Plan which predicts a 1990 population of 5,200 growing to 7,100 by the year 2000.²

TABLE 5

POPULATION, HOUSEHOLD & EMPLOYMENT PROJECTIONS

PROJECTIONS	1980	CLOVERDALE SPHERE OF INFLUENCE				
	CITY LIMITS	1980	1985	1990	1995	2000
Population	3989	5509	6400	7700	10500	13300
Household Population	3919	5439	6300	7600	10400	13200
Occupied Households	1591	2137	2560	3210	4530	5950
Total Employment	1584	1821	2000	2100	2400	2600
Persons Per Household	2.46	2.55	2.46	2.37	2.30	2.22

Source: ABAG, "Projections 83"

Employment

Cloverdale's local employment increased 11% between 1960 and 1970 from 1,041 to 1,155 jobs. Since 1970, local employment increased 37% totaling 1,584 jobs in 1980, working predominantly in Manufacturing 29.7%, Retail Trade 22.8%, and Construction 10.1%. Other major employment sectors include Health, Education, Transportation and Finance, Insurance and Real Estate Services as shown in Table 6. While manufacturing continues to provide the majority of jobs in Cloverdale, it has declined significantly from 39% in 1970 - a 10% decrease. Local employment is projected to add approximately 279 jobs to the 1980 employment figures (an 18% increase) over the next decade, with a projected decline in agriculture and mining employment offset by increases in Manufacturing, Wholesale and Retail Employment. Employment in manufacturing and wholesale industries are projected to increase by 39% over the next decade. Retail Trade is projected to increase by 17% and service industries by 10% over 1980 levels.

TABLE 6

1980 EMPLOYMENT BY INDUSTRY FOR CLOVERDALE RESIDENTS

INDUSTRY	NO. OF WORKERS	PERCENT OF TOTAL
Agriculture, Forestry, Fishing & Mining	35	2.2
Construction	161	10.1
Non-Durable Goods Manufacturing	107	6.7
Durable Goods Manufacturing	364	23.0
Transportation	62	3.9
Communications & Other Public Utilities	49	3.1
Wholesale Trade	49	3.1
Retail Trade	362	22.8
Finance, Insurance and Real Estate	60	3.8
Business and Repair Services	43	2.7
Entertainment and Recreation Services	26	1.6
Health Services	126	8.0
Educational Services	63	4.0
Other Professional & Related Services	56	3.5
Public Administration	21	1.5
TOTAL	1,584	100.0

Source: 1980 U. S. Census

TABLE 7

COMPARISON OF REGIONAL EMPLOYMENT

BASIC EMPLOYMENT	PERCENT OF TOTAL POPULATION			
	CLOVERDALE CITY LIMITS	SPHERE OF INFLUENCE	SONOMA COUNTY	ABAG REGION
Agriculture & Mining	2.2	12.6	6.5	1.5
Mfg. & Wholesale	32.8	34.8	21.0	24.1
Retail	22.8	24.3	21.3	15.7
Services	21.3	13.5	24.6	27.7
Other*	20.9	14.8	26.7	31.0

Sources: 1980 U.S. Census
ABAG, "83 Projections"

* Includes Construction, Transportation, Communication, Utilities, and Public Administration

Unemployment in Sonoma County is summarized in Table 8. Since 1980, unemployment has increased from 7.1% to a peak of 10.3% in 1982 and has fallen off to 8.1% as of March 1984. Many of the workers in Cloverdale and throughout Sonoma County are seasonally employed and heavily dependent on agricultural production and other seasonal industries.

TABLE 8

SONOMA COUNTY UNEMPLOYMENT 1980-84

YEAR	SONOMA COUNTY
1980	7.1%
1981	8.0
1982	10.3
1983	9.1
JAN 1984	8.9
FEB 1984	8.9
MAR 1984	8.1

Source: State Employment Development Department

TABLE 9

WORK DISABILITY

WORK DISABILITY	NO. OF PERSONS	PERCENT OF TOTAL WORKFORCE
In Labor Force	128	5.3
Prevented from working	182	7.5
Not Prevented	6	.2
No Work Disability	2,115	87.0
TOTAL	2,431	100.0

Source: 1980 U.S. Census

Approximately 13% of the working population has some form of work disability. In 1980, 128 people (7.5%) were prevented from working, 182 (5.3%) were disabled persons working in the labor force and the remaining 6 people (.2%) were not prevented but also not working because of a work disability. Of the total population, approximately 4% have public transportation disabilities as shown in Table 10.

TABLE 10

PUBLIC TRANSPORTATION DISABILITY

AGE GROUP	NO. OF PERSONS	PERCENT OF TOTAL POPULATION
16 TO 64	76	1.9
65+	86	2.2
TOTAL	162	4.1

Source: 1980 U.S. Census

Ethnic Characteristics

Cloverdale's population is predominantly Caucasian, 94.5 percent of the population. Other ethnic groups American 1.5%, Asian 1.0%, and other .3%. Of the 6.7% were of Spanish origin - the most significant in population in the County.

TABLE 11
ETHNIC CHARACTERISTICS

ETHNIC GROUP	CLOVERDALE	PERCENT OF TOTAL POPULATION SONOMA COUNTY
Black	0.0	1.2
Native American	1.5	1.2
Asian	1.0	1.7
Other	3.0	2.7
SubTotal	5.5	6.8
White	94.5	93.2
TOTAL	100.0	100.0
Spanish Origin	6.7	6.9

Source: 1980 U. S. Census

Age and Sex Distribution of the Population

The age distribution trends of a city's population are important considerations since they affect the demand for housing. Cloverdale is following regional and national trends towards the gradual aging of its population and declining percentage of school age children. Cloverdale's population is older and more settled than the average for the County. Due to the higher percentage of elderly and lower percentage of children in Cloverdale; the median age in 1980 was 35.4 years versus a county-wide median of 31.8 years.

Cloverdale has 34% more senior citizens (65 years or older) than the County average comprising 18.1% of the total population. Within this age group there is a higher proportion of women than men, reflecting a number of elderly households with female heads. An additional 10.9% of Cloverdale's population is between the ages of 54-64 years old. The growing elderly population creates a demand for units with common recreation facilities and easy access to commercial, medical, and transportation facilities. Elderly households often have special needs for handicapped access and facilities designed to accomodate handicapped persons. Because of soaring inflation in housing, energy and consumer goods experienced over the last decade, elderly households living on fixed incomes have an extra disadvantage.

Approximately 21% of the population lies within the productive age group of 34-54 years old. As the "baby boomers" approach middle age over the next decade, the percentage of people within this group will increase and the median age will climb. People within this age group are generally more settled and indicate a need for family size housing.

Approximately 25% of Cloverdale's population is 18-34 years old. This "baby boom" generation has created a demographic bulge nation-wide affecting everything from jobs and housing to spending patterns and borrowing trends. As the population ages, people entering the 18 to 34 age group begin to form households, compete in the job market and may become first-time home buyers. Market analysts suggest there is still a considerable "pent up" demand for housing within this age group.

Another 25% of the 1980 population was under 18 years of age. This is a significant decrease from the 1970 distribution of 34% and follows national trends of deferring child-bearing to later years and increasing numbers of single and childless two-person households. The declining number of young children can result in a change in the types of housing units sought, since childless adults tend to have a higher combined income and prefer a high amenity lifestyle. This can increase the demand for condominiums or units in planned developments.

TABLE 12

AGE AND SEX DISTRIBUTION

AGE	NO. OF PERSONS	CITY OF CLOVERDALE			SONOMA COUNTY		
		% FEMALE	% MALE	% TOTAL	% FEMALE	% MALE	% TOTAL
Under 18	991	12.5	12.3	24.8	12.8	13.3	26.1
18-34	989	12.8	12.0	24.8	15.3	14.6	29.9
35-54	851	10.8	10.3	21.3	10.5	10.4	20.9
54-64	436	5.4	5.5	10.9	5.2	4.4	9.6
65+	722	10.7	7.4	18.1	7.8	5.7	13.5
TOTAL	3,989	52.2	47.5	100.0	51.6	48.4	100.0
MEDIAN AGE				35.4			31.8

Source: 1980 U.S. Census

HOUSEHOLD CHARACTERISTICS

As a rural community, the median household income of Cloverdale residents is lower than national, state and regional incomes and also lower than much of Sonoma County. In 1980, Cloverdale's median household income was \$16,682 compared to the County's median income of \$17,734. The lower income level of Cloverdale's residents reflects a high percentage of elderly households and those living on fixed incomes.

TABLE 13

COMPARISON OF INCOME LEVELS

INCOME LEVEL	CLOVERDALE	SONOMA COUNTY	AGAG REGION	STATE	NATION
Median Household Income	\$16,682	\$17,734	\$20,607	\$18,170	\$16,830

Source: 1980 Census

The classifications of very low, low and moderate income levels are used by various state and federal agencies to determine eligibility for housing assistance programs. These income categories are defined in relation to the county median income, adjusted for household size and updated annually for the purpose of administering the various housing programs. The State Department of Housing and Community Development (HCD) has defined income categories as follows:

<u>INCOME LEVEL</u>	<u>DEFINITION</u>
Very Low Income	Less than 50% of the median income.
Low Income	Between 51% and 80% of the median income.
Moderate Income	Between 81% and 120% of the median income.
Above Moderate	Above 120% of the median income.

Income categories for Cloverdale were calculated with respect to the median income for the San Francisco Bay Region to include the localities share of the regional housing need. A comparison of the distribution of households by income level is shown in Table 14. According to these figures 49% of the total households in Cloverdale were classified as lower income with the majority of these households (35%) in the very low income category. An additional 22% of the households had moderate incomes and the remaining 29% were in the upper income group. These figures illustrate that in comparison to the regional distribution of households by income level, Cloverdale is highly impacted with lower income households. The overall proportion of lower income households is projected by ABAG to decrease somewhat by 1990 as each jurisdiction moves closer to the regional distribution.

TABLE 14

1979 HOUSEHOLD INCOME CHARACTERISTICS

INCOME LEVEL	CLOVERDALE		SONOMA COUNTY	ABAG REGION
Median Household Income	\$16,682		\$17,734	\$20,607
Very Low Income Less than \$10,304	557	(35%)	28%	23%
Lower Income \$10,305 to \$16,486	223	(14%)	19	16
Moderate Income \$16,487 to \$24,728	350	(22%)	22	21
Above Moderate Above \$24,728	461	(29%)	31	40

Source: ABAG, "Housing Needs Determinations San Francisco Bay Region", July 1983

SPECIAL NEEDS

Many households have certain special needs that are generally not accommodated by the private housing industry. In many cases their choice in housing is limited by low income levels, but often their special characteristics make housing suitable to their needs unavailable. These households are more likely to be overpaying for housing and subject to housing discrimination. Their needs are especially important considerations in evaluating the provision of

safe, decent and affordable housing for all income levels and in developing targets for the community's housing programs.

Of the total households in Cloverdale, 179 (11%) were classified as below poverty level in 1980. An additional 114 households (7%) were classified as within 124% of poverty, comprising a total of 293 households (18% of all households) living near poverty. (The poverty level used by the U. S. Census Bureau is considerably less than HUD's eligibility limits for low and moderate income families by a factor of 200 percent.) The majority of these households are families, female headed and/or elderly householders as shown in Tables 15 and 16.

Families and Female Headed Households

Single parent households and families with children are the most likely to have affordability and housing discrimination problems. Approximately 70% of all households in Cloverdale are families with 9% of the total headed by women. However, of the 179 households living in poverty, 35% are families headed by women. Families with children and single parent households have special needs for child-care, public transportation, and child-oriented recreation facilities. Housing programs targeted for lower income households in Cloverdale should accommodate the needs of both families and elderly households.

Elderly and Handicapped Households

As discussed earlier, elderly residents comprise a significant portion of the population in Cloverdale. Of the total households, 28% (446) are occupied by senior citizens. Approximately 76 elderly households in Cloverdale were living below the federally established poverty level as reported in the 1980 Census, with an additional 54 senior households below 124% of poverty level. Therefore, approximately 30% of all elderly households (130 households) are living near or below poverty in Cloverdale.

The California Department of Rehabilitation has estimated that 7.7 percent of the County's population had some form of physical or mental disability in 1981.⁶ Approximately 3.3% of the population have some form of muscular-skeletal disability, while another 1.2 percent have cardiovascular disabilities. These particular types of handicaps are often associated with elderly populations and generally indicate a need for certain social services, wheelchair access and units in close proximity to public transportation and medical facilities. Because Cloverdale has a greater percentage of elderly than the County average, the number of persons with these types of disabilities could be higher. While the affordability problems of this particular group are difficult to assess based on available

data, there are undoubtedly affordable housing needs for handicapped persons. The special needs of handicapped persons should be given priority in affordable housing programs and programs addressing the needs of elderly populations.

Large Families and Overcrowding

The majority of households in Cloverdale are one and two-person households (61%), another 31% are small families (3-4 persons), and the remaining 8% are large families. Household size in the City of Cloverdale has continued to decline from 2.6 persons per household in 1975 to 2.46 persons per household in 1980. This trend is expected to continue to the end of the century with a projected 1990⁷ average household size of 2.37 decreasing to 2.22 in the year 2000.

According to State Department of Housing and Community Development, overcrowding is defined as 1.01 or more persons per room. In 1980, there were 58 overcrowded households (3.5%) in Cloverdale. Overcrowding is often related to underutilized housing and affordability problems. Parents whose children have left home will continue to occupy a 3 or 4 bedroom home and young families often settle for smaller units that are more affordable. This imbalance between household size and housing unit size indicates a need to expand the supply of family size housing in Cloverdale. In addition, the shared housing concept, whereby two small households occupy one large unit and the provision of second units or "granny flats" can help to alleviate this problem and also addresses the needs of elderly households.

Minority Households

In 1980, there were 113 minority households in Cloverdale comprising 7% of the total households (0.7 % Asian and 6.3% Spanish). The 1980 Census reported that 25 of the Spanish households were lower income households. Because of the substantial agricultural economy that surrounds Cloverdale, it is likely that many of these households are migrant farmworkers. The housing needs of farmworkers are difficult to define in quantitative terms due to the seasonal and migratory nature of farmworker employment, the large percentage of immigrants in the farm labor force, and the nature of the housing that is provided for this group.

While the housing needs of the area's transient population is not documented, the seasonal nature of the City's basic industries and the draw of nearby recreational facilities indicate that this type of housing could be a special need of Cloverdale residents. Over the past 5 years, many of the City's motel complexes have been converted to year-round occupancy. With the completion of recreational facilities at Lake Sonoma, the demand for overnight lodging is

expected to increase, providing incentives to convert larger, historic homes into bed and breakfast facilities. The few historic homes that are suitable for this type of conversion are not considered affordable to the many lower income residents of Cloverdale and the conversion of these units to overnight facilities is expected to reduce competition in the limited supply of housing for the seasonally employed residents of Cloverdale.

Housing Discrimination and Homeless Persons

Although housing discrimination is unconstitutional, there are many reports of continuing problems in this area (primarily involving rental housing). Since 1981, the Sonoma County Housing Authority has contracted with the Sonoma County Rental Information and Mediation Services, Inc. (SCRIMS) to provide housing services on a county-wide basis including: 1) rental information to tenants and landlords; 2) dispute mediation services for tenants and landlords; and, 3) aid in completing housing discrimination complaints. In the last year SCRIMS has served a total of 2,029 clients (82 percent of which were lower income) and handled 16 housing discrimination complaints. The City of Cloverdale should provide a referral service to this agency when landlord/tenant conflicts arise.

Another special need which must be addressed in the Housing Element is the growing numbers of homeless persons needing emergency shelter. Cloverdale has not experienced any significant problems in this area and has not been able to document a need for emergency shelters. However, the City will assist homeless persons by referral to the appropriate agencies and non-profit groups who provide emergency shelters.

TABLE 15

AGE OF HOUSEHOLDER AND POVERTY STATUS

HOUSEHOLDS	BELOW POVERTY		100 TO 124 % OF POVERTY		125% OR MORE OF POVERTY		TOTAL HOUSEHOLDS	
	# OF HH	(%)	# OF HH	(%)	# OF HH	(%)	# OF HH	(%)
HOUSEHOLDER 15-64								
Families	72	(4.5)	30	(1.9)	783	(48.6)	885	(55.0)
Non Families	31	(1.9)	30	(1.9)	218	(13.5)	279	(17.3)
SUB TOTAL	103	(6.4)	60	(3.7)	1,001	(62.1)	1,164	(72.3)
HOUSEHOLDER 65+								
Families	36	(2.2)	0	(-)	199	(12.4)	235	(14.6)
Non Families	40	(2.5)	54	(3.4)	117	(7.3)	211	(13.1)
SUBTOTAL	76	(4.7)	54	(3.4)	316	(19.7)	446	(27.7)
TOTAL	179	(11.1)	114	(7.1)	1,317	(81.8)	1,610	100.0

Source: 1980 Census

TABLE 16

FAMILIES, NON FAMILIES AND FEMALE HEADED HOUSEHOLDS

PRESENCE OF CHILDREN	FAMILIES W/ FEMALE HEADS		TOTAL FAMILIES		NON FAMILIES		TOTAL HOUSEHOLDS	
	# HH	%	# HH	%	# HH	%	# HH	%
BELOW POVERTY								
w/children	54	(3.4)	63	(3.9)			63	(3.9)
w/o children	8	(.5)	45	(2.8)	71	(4.4)	116	(7.2)
SUBTOTAL	62	(3.9)	108	(6.7)	71	(4.4)	179	(11.1)
ABOVE POVERTY								
w/children	23	(1.4)	463	(28.8)			463	(28.8)
w/o children	61	(3.8)	549	(34.1)	419	(26.0)	968	(60.1)
SUBTOTAL	84	(5.2)	1,012	(62.9)	419	(26.0)	1431	(88.9)
TOTAL	146	(9.1)	1,120	(69.6)	490	(30.4)	1610	(100.0)

Source: 1980 U. S. Census

TABLE 17

PERSONS PER UNIT BY TENURE

PERSONS PER UNIT	OWNER OCCUPIED		RENTER OCCUPIED		TOTAL OCCUPIED	
	# OF UNITS	(%)	# OF UNITS	(%)	# OF UNITS	(%)
One Person	193	(12.1)	231	(14.5)	424	(26.6)
Two Persons	402	(25.3)	145	(9.1)	547	(34.4)
Three Persons	161	(10.1)	99	(6.2)	260	(16.3)
Four Persons	157	(9.9)	80	(5.0)	237	(14.9)
Five Persons	54	(3.4)	30	(1.9)	84	(5.3)
Six or More Persons	28	(1.8)	11	(.7)	39	(2.5)
TOTAL	995	(62.5)	596	(37.5)	1,591	100.0
1.00 Person per room	975	(55.0)	558	(42.9)	1,533	(96.4)
1.01 to 1.50	16	(.6)	22	(.9)	38	(2.4)
1.50 or more	4	(.-)	16	(.6)	20	(1.3)
Mean Persons Per Unit						2.46
Median Persons Per Unit						2.18

Source: 1980 U. S. Census .

HOUSING CHARACTERISTICS

Age and Condition of the Housing Stock

The age of the housing stock has important implications with regard to the condition of the units. Since the average economic life of a residential structure is estimated at 30 years, many older units require rehabilitation to repair leaking roofs, cracked foundations, poor wiring, inadequate heating systems and/or faulty plumbing. In addition to wear and tear from weather and use, many older homes do not conform to current building codes, energy efficiency and structural safety standards. Ironically, many of the older units requiring rehabilitation are occupied by those who are least able to afford the necessary repairs.

TABLE 18

AGE AND GROWTH OF THE HOUSING STOCK

YEAR BUILT	UNITS CONSTRUCTED	PERCENT OF TOTAL	TOTAL UNITS	PERCENT INCREASE
1939 or earlier	321	18.5	321	-
1940-1949	188	10.8	509	58.6
1950-1959	479	27.6	988	94.1
1960-1969	232	13.3	1220	23.5
1970-1974	237	13.6	1457	19.4
1975-1979	199	11.4	1656	13.7
1980	19	1.1	1675	1.1
1981	9	.5	1684	.5
1982	25	1.4	1709	1.5
1983	11	.6	1720	.6
AUG 1984	18	1.0	1738	1.0
TOTAL	1,738		1738	100.0

Sources: 1980 U.S. Census
State Department of Finance Summary Reports 1981 to 1983
City of Cloverdale, 1984 Building Permits Issued

In Cloverdale, approximately 30% of the housing stock was built prior to 1950 and is now over 34 years of age. Although an in-depth survey of the housing stock condition has not been completed, many of these

housing units show visible signs of deterioration from deferred maintenance. An estimated 40% of the housing stock was built during the growth decades of the 1950's and 1960's, and require some minor rehabilitation such as paint and window caulking. Some of these units are beginning to show signs of deteriorating roofs and may need maintenance and repair of heating and plumbing systems as well. The remaining 30% of the housing units have been constructed since 1970. While the structural elements of these units is assumed to be in good condition, many of these units could benefit from normal maintenance, weatherization and added insulation in order to meet new State energy standards.

The City's Building Inspector estimates that 20% of the housing stock or approximately 330 units need major rehabilitation. The Tarman tract, built in the early 1950's, has been the first target area to benefit under the County's Rehabilitation Program. Additional funding is needed and the City will continue to work with homeowners, landlords and tenants to rehabilitate their homes as a means of conserving the existing supply of affordable housing.

Housing Inventory Trends

Like many communities throughout California, Cloverdale experienced very little activity in housing starts during the period from 1980 to 1983, primarily due to the high interest rates and unemployment of the 1981-82 recession. Recent development activity indicates a strong demand for housing in the Cloverdale area with several projects in the planning process. If ABAG's projections are realized housing activity is expected to surpass the levels experienced over the past decade, increasing 50% by 1990.

TABLE 19

1980 YEAR-ROUND HOUSING UNITS BY TYPE AND TENURE

TYPE OF UNIT	TOTAL OCCUPIED		OWNER OCCUPIED		RENTER OCCUPIED	
	# OF UNITS	(%)	# OF UNITS	(%)	# OF UNITS	(%)
Single Family Detached	1,139	(71.6)	843	(53.0)	296	(18.6)
Single Family Attached	18	(1.1)	5	(.3)	13	(.8)
Duplex (2 Units)	50	(3.1)	12	(.8)	38	(2.4)
Multi-family 3-4 Units	39	(2.5)	0	(-)	39	(2.5)
5 or more Units	212	(13.3)	12	(.8)	200	(12.6)
Mobile Homes	133	(8.4)	123	(7.7)	10	(.6)
TOTAL	1,591	(100.0)	995	(62.5)	596	(37.5)

Source: 1980 U.S. Census

Homeownership continues to be the preference of Cloverdale residents with 62.5% of the total occupied housing units being owner occupied. The vast majority of homeowners live in detached single family units or mobile homes, while renters occupy most of the attached units, duplexes, and larger apartment complexes.

The detached single family unit is the predominant housing type in Cloverdale comprising 72% of the total housing stock. There has been few attached single family or condominium units constructed over the past decade in Cloverdale, accounting for only 1.1% of the total housing stock. However this type of unit with smaller lots and unit sizes and somewhat more affordable prices is becoming more prevalent in the current housing market throughout Sonoma County.

The number of two to four unit structures has declined from 11% of the total stock in 1975 to 7% in 1980, while the number of apartments has climbed from 10% in 1975 to 16% in 1980. The inventory of mobile homes has also increased from 6% in 1975 to 8% in 1980 for a total of 133 mobile homes in the City. Mobile homes and manufactured housing units provide another affordable alternative to the standard detached single family unit of the 1970's.

Affordability

In order to further evaluate the housing needs of Cloverdale residents in terms of affordability, the relationship between monthly housing costs and the ability of households to pay such costs must be analyzed. The ability of households to pay for housing is a function of income and cost of housing. According to standards used by most lending institutions and many state and federal agencies, no more than 30% of a households income should be spent on housing. Using this assumption affordable monthly housing costs for Cloverdale residents by income level were calculated as shown in Table 20. An overview of what Cloverdale residents were paying for housing in 1980 is provided in Table 21.

In 1980 the median contract rent was \$230 and the median mortgage payment was \$398 which appears affordable to most households in Cloverdale. However, for people entering the market today the costs are much higher. The median asking price of all units available on the market in February 1984 was \$79,500⁹ and the average price of vacant for-rent units in May 1984 was \$413.¹⁰

TABLE 20

AFFORDABLE MONTHLY HOUSING COSTS BY INCOME LEVEL 1980

INCOME LEVEL	MAXIMUM GROSS MONTHLY INCOME	AFFORDABLE MONTHLY PAYMENT OR RENT	MAXIMUM LOAN AMOUNT*	
			9%	14%
Very Low	Below \$739	Less than \$222	\$27,500	\$18,700
Low Income	\$740-\$1,182	\$223-\$355	44,100	30,000
Moderate Income	\$1,182-\$1,773	\$356-\$532	66,000	44,900
Above Moderate	\$1,774 or more	\$532 and up	66,000+	45,000+

Based on 1979 County Median Income

*Assuming a 30 year fully amortized fixed rate loan

TABLE 21

MONTHLY COST OF HOUSING 1980

MONTHLY COST MORTGAGE OR RENT	RENTER OCCUPIED		OWNER-OCCUPIED*	
	# OF HH	(%)	# OF HH	(%)
Less than \$99	77	(13.5)	169	(21.4)
\$100-\$149	48	(8.4)	116	(14.7)
\$150-\$199	93	(16.3)	61	(7.7)
\$200-\$249	112	(19.6)	43	(5.5)
\$250-\$299	69	(12.1)	69	(8.8)
\$300-\$349	64	(11.2)	36	(4.6)
\$350-\$399	24	(4.2)	39	(4.9)
\$400-\$499	65	(11.4)	67	(8.5)
\$500 or more	19	(3.3)	188	(23.9)
Median Monthly Cost		\$230		\$398
Vacant For-Rent Average Cost				\$281
Median Value Non-condominiums				\$70,042

Source: 1980 U.S. Census

* Includes owners who have no mortgages, but are paying monthly costs (for example, space fees in mobile parks).

It is clear from a comparison of home prices to the affordable monthly costs that lower income households are generally precluded from the home buying market and must rely on the available supply of rental housing to meet their needs. While moderate income households can afford the majority of advertised rentals in Cloverdale, homeownership choices are extremely limited for this income group.

TABLE 22

HOUSEHOLDS PAYING OVER 30% OF INCOME

INCOME LEVEL	RENTERS		OWNERS		TOTAL	
	# OF HH	(%)	# OF HH	(%)	# OF HH	(%)
VERY LOW INCOME HH Less than \$8,867	91	(5.7)	63	(4.0)	154	(9.7)
LOW INCOME HH \$8,868-\$14,187	20	(1.3)	31	(1.9)	51	(3.2)
TOTAL LOWER HH	111	(7.0)	94	(5.9)	205	(12.9)
OTHER HOUSEHOLDS	18	(1.1)	70	(4.3)	93	(5.8)
TOTAL HH OVERPAYING	129	(8.1)	164	(10.3)	298	(18.7)

Source: 1980 U.S. Census

Housing Assistance Needs

Although housing costs are much lower in Cloverdale than other areas of the county, a number of households are overpaying for housing. Overpayment is especially critical for lower income households who pay a disproportionate share of their incomes for housing. An estimated 205 lower income households were overpaying for housing in 1980 and therefore may be eligible to participate in state and federal housing assistance programs. Many of these lower income households are minority, female headed and/or elderly households as noted previously. The City should coordinate with the Sonoma County Housing Authority to ensure that Cloverdale's eligible households are appropriately represented on the waiting lists for the award of Section 8 certificates.

Housing affordability is a concern not only for lower income households but for all economic segments of the community.

Approximately 19% of all households were paying more than 30% of their incomes for housing in 1980. Because homeowners generally have a higher income level than renters, the percentage of lower-income homeowners that are overpaying is relatively low. However, in the upper income brackets more homeowners are overpaying than renters. In addition to housing assistance needs for lower income households there is a need for more affordable owner-occupied housing for moderate and above moderate income households.¹¹

Mobility and Recycling Trends

The mobility of the population affects the affordability of the existing housing stock in many ways. For example, existing mortgages obtained over 10 years ago have much lower interest rates than could be obtained for a comparable home at current market prices. Those who purchased their homes on fixed rate loans have established affordable monthly housing costs that are less susceptible to inflationary market forces. Home ownership provides a built-in equity savings in response to inflationary trends which gives added protection to these long-term homeowners. Federal income tax laws also favor homeowners over renters by allowing itemized deductions for their interest payments. These factors contribute to lower turnover rates in owner occupied housing, especially for lower income residents and those living on fixed incomes who are generally more restricted in their choice of housing and ability to pay. The long term residency of many homeowners in Cloverdale has provided a source of affordable housing for this group. Approximately 34% of all homeowners had no mortgage payments in 1980.

On the other hand, renters are especially vulnerable to escalating housing costs as their tenancy is, for the most part, non-binding. In addition, turnover rates are generally much higher in rental markets while low vacancy rates increase competition for rental housing and cause market rents to rise with the increased demand. Tenants have less control over other costs related to housing, such as energy costs. While homeowners can insulate their homes and install other conservation measures to reduce their utility bills, landlords and tenants are often reluctant to invest in these improvements.

Availability

Another factor which affects the affordability of the housing stock is the availability of the units. In order to avoid excessive housing inflation an adequate supply and choice in the housing stock must be maintained. A wide range in the number and variety of housing types, sizes, costs, locations and environments for both owner and renter households would provide an adequate choice in housing. Vacancy rates are an indication of housing availability

with optimal vacancy rates determined by the number of moves made within the market area over an approximate one or two month period. The State Department of Housing and Community Development describes optimal vacancy rates of 2.0 percent for-sale and 6.0 percent for-rent as providing an adequate choice in the available housing stock allowing sufficient elasticity in the housing market to keep housing costs in balance with housing demand.

The housing market in Cloverdale is characterized by extremely low vacancy rates of 0.8% for-sale and 1.0% for-rent in 1980 with a total available vacancy rate of 1.8%. A more recent housing vacancy survey, conducted by the Federal Home Loan Bank in June of 1983, has revealed a tightening of the housing market with an overall vacancy of 1.0%. Rental housing has become severely limited in the past 4 years with no vacancies in multi-family units or mobile homes. A reported 1.3% vacancy in single family units has eased the single family market somewhat but still falls short of the 2.0 percent optimum rate.¹²

Low vacancy rates over a long period of time tend to provide upward pressure on housing prices and rents. Since the real estate recession of 1981-82, housing supply has not caught up with the demand. Construction trends have fluctuated considerably over the past 4 years and are below projected levels. The current tight housing conditions in Cloverdale illustrate a need to expand the housing supply in order to avoid undue housing inflation and indicates a strong demand for new construction in both rental and single family markets.

TABLE 23

1980 VACANCY AND TENURE OF UNITS

TENURE	PERCENT OF TOTAL	
	CLOVERDALE	SONOMA COUNTY
Owner Occupied	60.1	58.8
Renter Occupied	36.0	33.7
TOTAL OCCUPIED	96.1	92.5
Vacant For Sale	.8	1.3
Vacant for Rent	1.0	1.1
TOTAL AVAILABLE	1.8	2.4
Occasional Use	.2	3.4
Other Vacant	1.6	1.7
TOTAL VACANT	3.6	7.5

Source: 1980 U.S. Census

Energy Costs

Energy costs are a significant factor affecting the affordability of housing today. Energy consumed for household use is primarily in the form of gasoline for vehicles, natural gas and electricity for home space heating and cooling, water heating and appliances as shown in Figure 3. Costs for all three sources are projected to increase faster than overall inflation. Annual real increases (inflation adjusted) are projected for the period from 1980 to 1990 at 7.3% for gasoline, 7% for natural gas and 1.6% for electricity. Rates for electricity are expected to increase more rapidly beyond 1990. ¹³

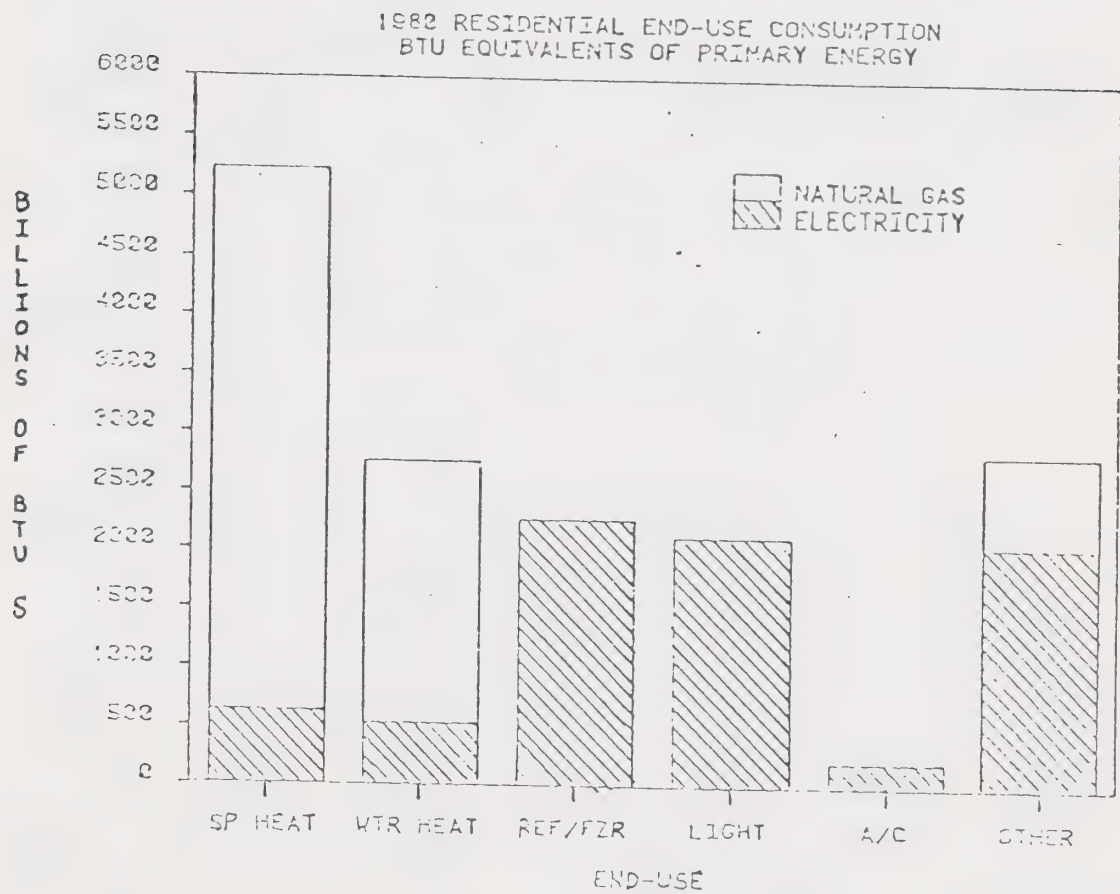
The result of escalating fuel costs is an increasing percentage of a household's income being devoted to energy needs. Of particular concern is the effect on lower-income families who will be paying a disproportionate amount of their incomes for energy expenditures. Many of these people cannot afford to insulate their homes, install solar collectors, or buy new, more efficient appliances or vehicles. Ironically, they often occupy older, substandard housing and operate outdated or inefficient appliances and cars.

While the effects of State regulations, utility programs and rising fuel costs are expected to reduce the consumption of natural gas and slow the growth in the demand for electricity, a large potential for conservation still remains in improving the energy efficiency of the existing housing stock, the development of solar space and water heating, and the application of mixed use and increased densities to improve energy efficiency. ¹⁴

An evaluation of the conservation potential for Sonoma County indicates that local policies could reduce total residential consumption by approximately 30% over the next decade. The California Energy Commission estimates that 50% of all gas space heating and 20% of all electric space heating can be conserved. Other significant reductions can be achieved in space cooling (30%) water heating (25%) and other uses (15%). These figures are based on an active local policy for energy conservation emphasizing low cost measures and practices having a simple payback of less than 5 years. ¹⁵ The League of California Cities has adopted a policy statement for energy conservation (included as Appendix B) with recommendations for cities to develop a strategy for reducing energy consumption and devising their own energy programs. Among the recommended programs are: developing expertise of city staff; providing public educational services; energy design considerations in the approval of new subdivisions; and, weatherization of existing buildings.

Retrofit of existing buildings may well be the single most cost effective means of reducing energy consumption in the residential sector thereby enhancing the affordability of the housing stock. The City could play an active role in providing public information and

FIGURE 3
Energy Consumption Patterns



Sources: FGE utility sales figures, (1979 & 1980 2-yr. average); EIA, Annual Energy Review, November 1981, Author's calculations, J. Barrett

assistance as part of an on-going housing rehabilitation and conservation program. Energy conservation in municipal buildings could serve as a demonstration program and provide a starting point for a community awareness and public education program. A community recycling program could also be initiated by coordinating with the local disposal company. There are numerous sources of public assistance and funding for energy related projects listed in Table 24. The cost-effectiveness of these programs can be enhanced by working with utilities which offer free energy audits and zero interest loans for conservation measures.

There are six general conservation measures that have proven to be cost effective in reducing energy demand in the residential sector. Installation of these measures can generally be financed with no interest by the local utility. Table 25 describes these measures and includes other "practices" for reducing energy consumption in the residential sector. In general, a "measure" involves a physical change in a building or appliance, and a "practice" suggests a behavioral change in how a building or appliance is used. The sequence or order in which conservation measures are implemented will affect the actual savings and cost-effectiveness of a particular measure. For example, installation of a passive or active solar system could be more costly or provide lower savings if the heating loads were not first reduced by adequate insulation. In Table 25, first order actions should be given priority as they provide the greatest potential savings at the lowest initial cost.

In addition to the potential for conservation, alternative technologies and local energy resources can provide considerable energy savings and help create new job opportunities. Solar technologies have the greatest potential applications in the residential sector. Space heating and cooling, ventilation and natural lighting can generally be achieved through passive design features. Active solar systems have proven to be cost effective for water heating in pools and for domestic or commercial use. Typical savings of 60-70% can usually be achieved with adequate solar access and proper design. Photovoltaics, which convert sunlight directly to electricity may be competitive with utility sources by late 1986. The California Energy Commission estimates that, optimistically, rooftop photovoltaic systems could potentially provide electricity for two percent of the new homes built in 1986,¹⁶ and reach as many as 40-45% of the new homes built by the year 1990. Other potential energy sources include "biomass" resources from agricultural wastes and the cogeneration of electricity with energy used in manufacturing processes.

Under the Subdivision Map Act, all California cities are required to consider energy conservation practices in the design and approval of new subdivisions. The Solar Rights Act of 1978 enables local agencies to review new subdivision plans to ensure solar access. In particular, the Solar Rights Act requires that tentative subdivision

TABLE 24 Energy Funding Sources

<u>Source</u>	<u>Name of Program</u>	<u>Possible Use</u>	<u>Type</u>
Local	Municipal reserves or pension fund deposited in local bank	Leveraging for conservation loans by bank (no risk to city) or as loan guarantees	
State Parks	Urban open space and recreation program -- innovative programs funds	Solar water heater for city pool or other innovative energy facility	Grant
California Energy Commission	Schools and hospitals energy loan program	Retrofit loans for schools and hospitals	Loan
California Energy Commission	Streetlight conversion loan program	Street light retrofitting	Grant
California Energy Extension Service	Energy conservation contracts	Efforts to work with renters/ landlords, small businesses and other special targets	Grant
Solid Waste Management Board	Materials and energy recovery grants	Waste-to-energy projects or recycling	Grant
Department of Energy	Environmental and energy education	School and community conservation education programs	Grant
HCD	Deferred payment rehabilitation fund	Housing rehab and energy conservation for low and moderate income	Loan
HCD	Self-help housing assistance	Self-help housing projects which could include weatherization and retrofit	Grant
Office of Economic Opportunity	Low income weatherization assistance	Weatherization grants	Grant
Community Services Administration	Regional solar incentives program	Material costs of solar projects	Grant
HUD	Community Development Block Grant	Energy projects geared to low and moderate income households	Grant
Department of Agriculture-Farmer's Home Administration	Community Facilities	Upgrading facilities, swimming pool solar heating	Loan

TABLE 25 Energy Conservation Measures and Practices

MEASURES AND PRACTICES FOR REDUCING RESIDENTIAL
CONSUMPTION FOR SPACE HEATING AND COOLING AND WATER HEATING

	1st Order Actions	2nd Order Actions
	<u>Examples:</u>	<u>Examples:</u>
	<ul style="list-style-type: none"> o ceiling insulation o automatic thermostat setback timer o weather stripping and caulking o water heater insulation o pipe and duct insulation o flow restrictors 	<ul style="list-style-type: none"> o wall insulation o thermal pane windows o floor insulation o fluorescent lights o active solar systems o some passive solar features
MEASURES	<u>Common Characteristics:</u>	<u>Common Characteristics:</u>
	<ul style="list-style-type: none"> a. entail installation of materials b. result in relatively long-lasting energy-efficiency improvements to the building structure or appliance c. apply to virtually all structures, relatively insensitive to occupant behavior d. relatively short payback e. entail no sacrifice of quality of living conditions and could improve comfort and health 	<ul style="list-style-type: none"> a. same as (a) (b) and (c) of Type A measures b. cost effectiveness and physical constraints may vary from structure to structure c. generally longer payback periods
	<u>Examples:</u>	<u>Examples:</u>
PRACTICES	<ul style="list-style-type: none"> o lower winter thermostat setting on space heater o higher summer thermostat setting on air conditioner o lower water heater thermostat setting o reduced use of hot water o appliances off when not in use o some passive solar features 	<ul style="list-style-type: none"> o thermostat setting at 60° (space heating) and 85° (space cooling) o limited use of appliances
	<u>Common Characteristics:</u>	<u>Common Characteristics:</u>
	<ul style="list-style-type: none"> a. may or may not entail installation of material or equipment, but does require occupant "participation" b. may result in occasional sacrifice, but generally little noticeable effect 	<ul style="list-style-type: none"> a. major curtailment or elimination in the use of appliances b. will result in either sacrifice or a major change from conventional behavioral patterns or both

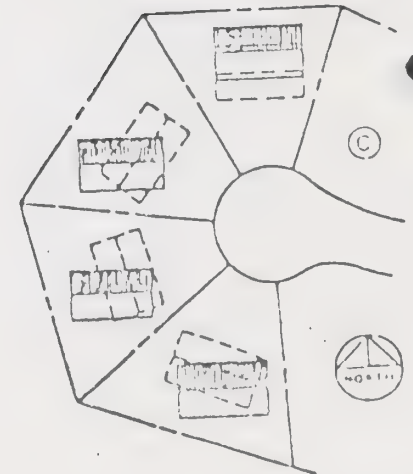
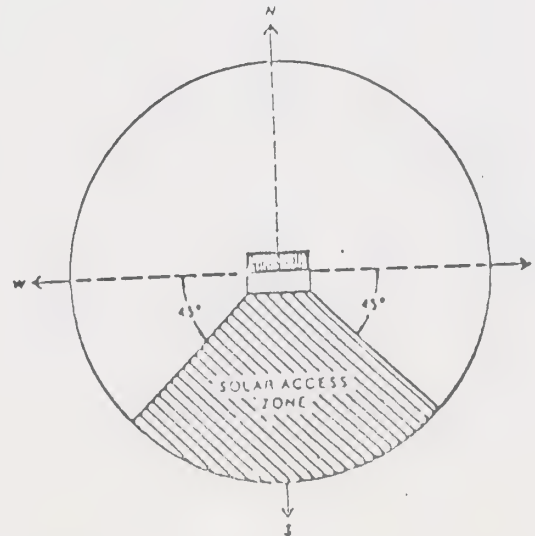
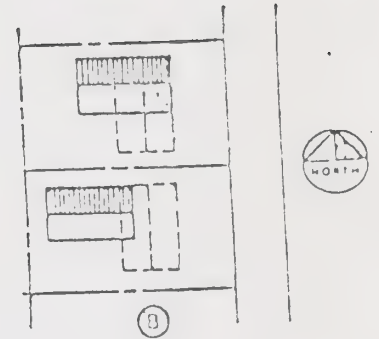
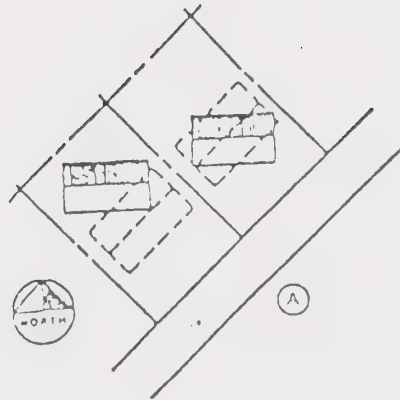
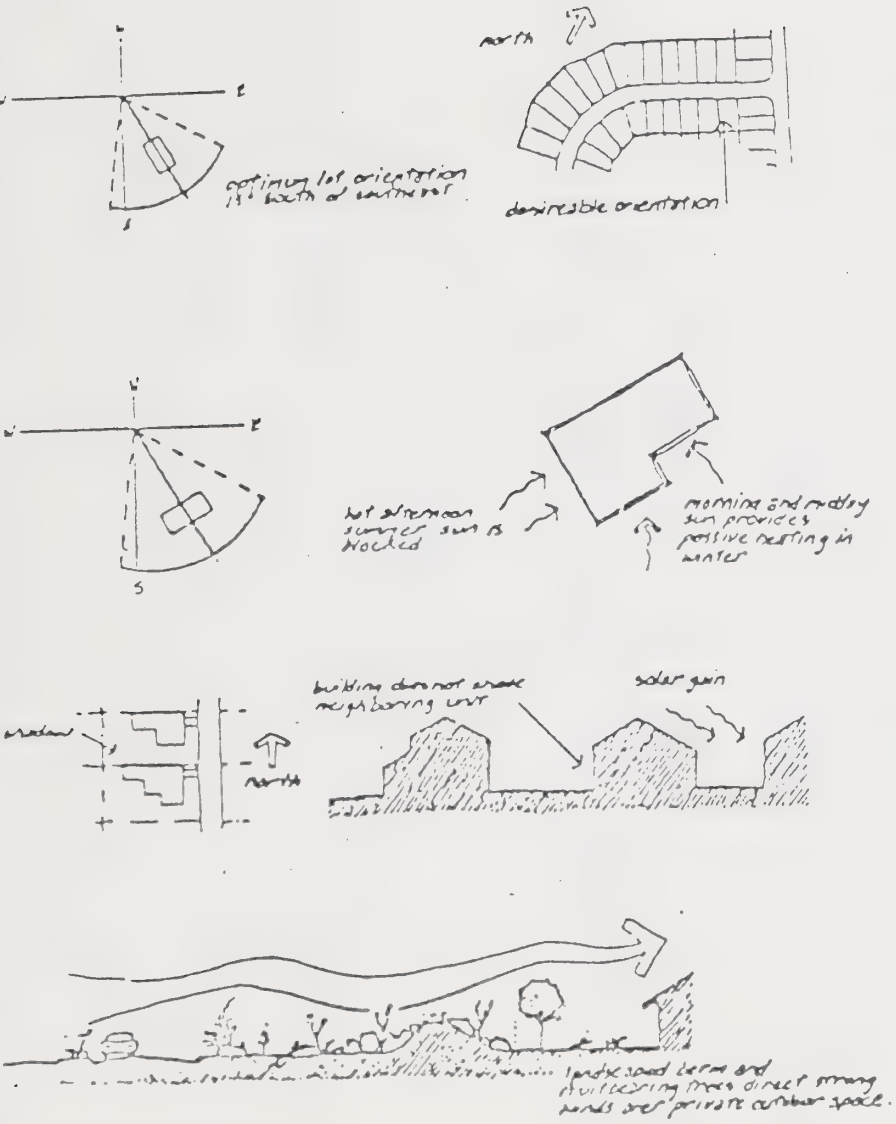
maps provide, to the extent feasible, for future passive or natural heating and cooling of homes. The law further provides for a local government to deny approval of a subdivision that does not meet these requirements. Local solar access ordinances and site review procedures are a means of implementing the provisions of the Solar Rights Act and ensure that new subdivisions do not preclude future solar energy opportunities. The Sonoma County Board of Supervisors has adopted Solar Access Guidelines which are included as Appendix C.

This is particularly important in light of new state building energy standards for all new homes (Title 24 of the California Administrative Code). Administered by local governments, these standards greatly encourage the use of passive heating and cooling systems, as well as active solar systems. Local governments can ensure that the energy efficiency goals of the Title 24 standards are met by routinely considering the issue of solar access early in the subdivision review and building permit process.

Proper building orientation and lot configurations can maximize the opportunity for solar heating and cooling as shown in Figure 4. Where possible, streets should be oriented to provide the units with south exposure and properly landscaped to reduce street glare and provide summer shade. Appropriate setbacks relative to the orientation of the buildings and the placement of landscaping are important considerations to ensure solar access. Increased densities and utilization of common wall areas can also reduce space heating and cooling costs in multi-family developments. Mixed use developments that locate housing in close proximity to employment and shopping areas can reduce energy costs for transportation.

FIGURE 4

Energy Design Guidelines



Projected New Construction Needs

The Association of Bay Area Governments (ABAG) provides an analysis and projection of housing needs for Cloverdale's Sphere of Influence. The projected figures are based on an in-depth analysis of population and employment trends, market demand, commutation patterns, and the availability of suitable sites and public facilities. These figures include the community's share of the regional housing need and are used to evaluate the community's ability to meet these needs and establish feasible quantified objectives for the development and maintenance of housing for all income groups.

While it is important to consider the regional allocation in evaluating the community's projected housing needs, it is recognized that the total housing needs may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements. The City's quantified objectives need not be identical to the identified housing needs, but should establish the maximum number of housing units that can be constructed,¹⁷ rehabilitated, and conserved over a five-year time frame.

ABAG's projected new construction need for the ten year period from 1980 to 1990 is 1,178 new units within the City's Sphere of Influence. This figure includes the number of units calculated as the 1980 existing need plus the number required to provide for the projected household growth, and at the same time allows for an optimal vacancy rate to keep the market in balance. The 10 year projection anticipated an average annual rate of construction of 120 units per year. Since 1980, only 82 new units have been constructed, including 18 units financed by CHFA, 4 rental units and 1 mobile home, leaving a remaining new construction need for the five-year period from 1985 to 1990 of 1,096 new units.¹⁸ These projected figures do not include losses resulting from demolitions or conversions which have occurred in the community. Over the past five years, only two units have been converted (to Bed and Breakfast Inns) increasing the 5 year new construction need to 1,098 or approximately 1100 units.

It is important to recognize that ABAG's projected figures include the unincorporated balance of the City's Sphere of Influence. While the majority of housing units are expected to be constructed within the current City Limits, an estimated 36% are likely to be developed as rural residential sites along the perimeter of the City's boundaries.

Projected Housing Need by Income Level

In order to determine the number of units required to fulfill the needs of all income groups for Cloverdale, the locality's projected housing needs were allocated by income category according to the

percentages contained in ABAG's recent report, "Housing Needs Determinations". The intent of the regional allocation is "to avoid further impactation of localities with relatively high proportions of lower income households".¹⁹ ABAG establishes these projected figures by weighting the average distribution for each city, with the existing county and regional percentages. The projected number of households by income category reflects a movement towards the regional distribution. Because Cloverdale's 1980 distribution showed a relatively higher proportion of Very Low Income households, the projected needs allocates a lower percentage to the very low income category with higher percentages allocated to low and above moderate income categories. The number of moderate income households is projected to be maintained at 22%.

Using the Department of Finance summary reports and City records to estimate the type, tenure and affordability of recently constructed units, a breakdown of the 5 year projected new construction need was determined as shown in Tables 26 and 27. Rounding these figures, the new construction need can be summarized as follows:

By Tenure: 660 owner-occupied units and 440 renter occupied

By Type: 780 single family, 220 multifamily and 100 mobile homes;

By Income Category: 525 lower income, 240 moderate income and 330 above moderate income.

While the actual number and type of units constructed over the next 5 years will depend on a variety of factors, these figures represent a goal or target for the City to use in evaluating the provision of adequate sites, establishing quantified objectives and developing a comprehensive set of housing goals, policies and programs to address the identified needs of the community.

TABLE 26

5 YEAR PROJECTED NEW CONSTRUCTION NEEDS BY INCOME LEVEL

INCOME LEVEL	1980-1990 PROJECTED NEED	1980-1984 UNITS BUILT	1985-1990 PROJECTED NEED
Very Low Income	342 (29%)	1	341
Low Income	188 (16%)	4	184
Moderate Income	259 (22%)	18	241
Above Moderate	389 (33%)	59	330
Total Units	1,178	82	1,096

Source: ABAG's, "Housing Needs Determinations", July 1983
DOF, Population and Housing Estimates, Jan 1984
City Records of Building Activity

TABLE 27

5 YEAR PROJECTED NEW CONSTRUCTION NEED BY TYPE AND TENURE

	1980-1990 PROJECTED NEED	1980-1984 UNITS BUILT	1985-1990 PROJECTED NEED
Single Family	856 (73%)	77	779
Multi-family	223 (19%)	4	219
Mobile Homes	99 (8%)	1	98
TOTAL	1,178	82	1,096
Owner	736 (62%)	78	658
Renter	442 (38%)	4	438
TOTAL	1,178	82	1,096

Source: ABAG's, "Housing Needs Determinations", 1983
City Records and DOF estimates of units constructed 1980-1984

ANALYSIS OF VACANT LAND

In order to determine if there is sufficient land to accomodate the projected new construction need with appropriate zoning to facilitate a variety of housing for all income levels, an inventory of vacant land suitable for residential development was compiled. This information was field checked and evaluated to identify potential constraints to the development of housing. Consideration was given to environmental constraints; the availability of public services; proximity and access to community facilities; as well as, the City's goals and objectives outlined in the General Plan. The relationship of these factors to the development capacity is reflected in the allowable density within each land use category.

The Low Density category of the General Plan (0.2 - 1.0 units per acre) includes those areas where existing parcelization, physical terrain, flood hazards, soil suitability, access problems and/or the capacity of public facilities limit the ultimate development potential. Approximately 23 acres of developable land are within this land use designation.

The Single Family Residential land use designation includes those areas that are partially developed or are anticipated to be developed at 4 to 6 units per acre. The intent of this classification is to recognize the existing single family residential neighborhoods and insure that new infill development is compatible. These areas are generally bound by arterial streets and convenient to schools, shopping and community facilities. There are an estimated 31 acres of vacant land designated for single family residential development within the City's boundaries.

Those areas within the Medium Density Land Use designation of the General Plan (6 - 15 units per acre) are the most appropriate sites for a range of housing densities because they are in close proximity to community facilities and can be served by the existing infrastructure. The range of densities provided in this land use category assures a mix of housing types and cost for a wide choice in housing opportunities. Approximately 18 acres of developable land remain for medium density development.

The High Density Land Use category of the General Plan (16+ units per acre) applies to areas designated for multi-family residential development to insure production of rental housing. Sites within this land use category are in close proximity to major transportation routes, employment areas, community facilities and local downtown shopping areas. Land designated for high density development encompasses approximately 9 acres within the City.

The bulk of developable land in Cloverdale consists of two large parcels recently annexed to the City. These sites are designated as Planning Reserve by the City's General Plan (4 - 6.5 units per acre) recognizing the opportunity for new and innovative designs afforded by the flexibility of planned developments. This land use designation is intended to provide a

wide range of affordable home ownership and rental opportunities through the use of mixed densities in developments that include physical and social amenities such as common open space, recreation centers, swimming pools, bikeways, pedestrian walkways, and landscaping. Within the context of a comprehensive development proposal, compatible non-residential uses are being considered along major arterial streets and adjacent to existing industrial land uses.²⁰

Another site which is zoned for residential development is designated as Mixed Development in the City's General Plan. Residential uses are allowed within this land use category in areas that exhibit unique characteristics providing for a compatible mix of land uses. Mixed use developments will often increase the feasibility of providing lower cost housing and generate revenues to offset impacts on City services associated with growth.

Projected Build-Out

The projected build-out of vacant and underutilized residential sites was based on the range of densities allowed under each General Plan Residential Land Use Category and existing zoning designations. Table 28 summarizes the results of the land inventory and the locations of potential residential sites are shown in Figure 5.

The results of the analysis conclude that there are adequate sites within the City's current boundaries to accommodate the projected growth to the year 1990. There is approximately 300 acres of developable residential land within the 1984 City Limits with a projected build-out of 1,234 to 2,049 units (including recently annexed areas) providing a mix of housing types. This amount of developable land should give sufficient leeway for the market to operate without undue constraints on the availability of adequate sites. Many of these sites have proposed development plans that are currently being reviewed.

In order to determine the maximum feasible number of units that could be constructed as required by State Law, an analysis of those projects currently in the planning process was conducted. There are six projects currently proposed that could provide 1332 to 1432 new units at total build-out. This includes: two large planned developments in the annexation area, a 60 unit apartment complex, 13 single family lots, 24 detached units and 2 duplexes on an infill site. As summarized in Table 29, a wide range of housing types and densities is reflected including 364 multi-family units, 475 mobile/manufactured homes, 300-400 cluster residential units, as well as, 193 single family detached units. In contrast with ABAG's projected figures which predict a larger proportion of single family units and lower number of multi-family units (see Table 27), local developers are responding to the greater demand for rental housing and affordable homeownership opportunities.

The majority of the units, proposed for two planned developments, are to be phased with an estimated annual construction of approximately 120 units per year. Including an additional 101 units from various smaller projects, approximately 700 new units could be constructed by 1990 (140 units per year) representing 70% of the projected new construction need of 1100 units. This level of construction reflects a 40% increase in the housing stock. A maximum feasible target of 700 new units over the next 5 years appears to be an aggressive but realistic goal for the community that will require a diligent effort and coordination on behalf of the City and local developers.

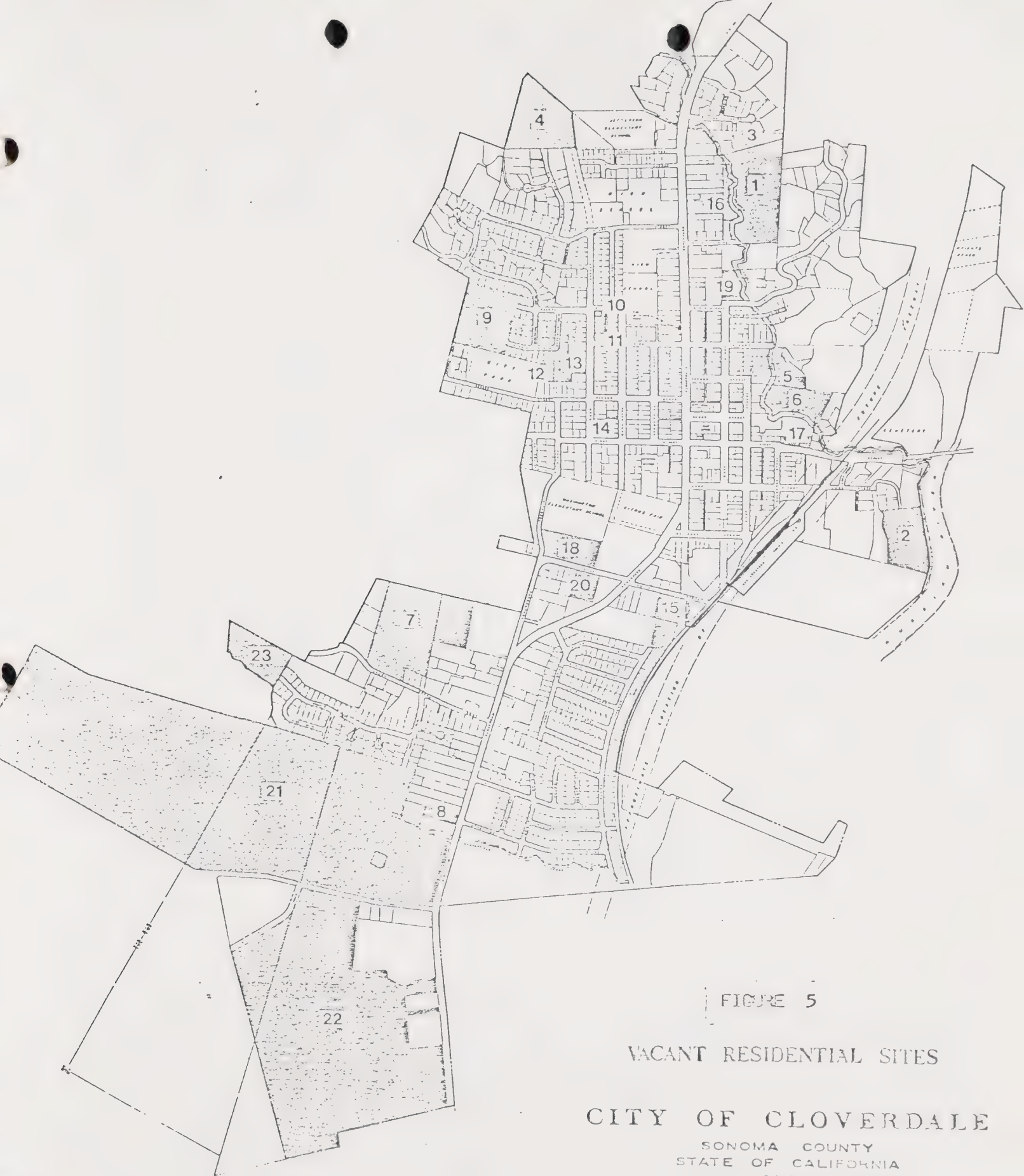
Housing for all economic segments of the community could potentially be met through the development of these sites with the variety of housing types proposed. Mobile homes and multi-family housing types could meet the needs of Cloverdale's lower income residents while the production of single family and cluster units could provide for the moderate and above moderate income groups. Additional units for low and moderate income households could also be constructed through the provision of density bonuses (pursuant to Section 65915 of the California Government Code) and the adoption of a second unit ordinance.

The intent of the density bonus provisions of State law is to provide incentives for the construction of low and moderate income housing. Specifically the law requires that, "When a developer of housing agrees to construct at least 25 percent of the total units of a housing development for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, or 10 percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code, a city, county, or city and county shall either (1) grant a density bonus or (2) provide other incentives of equivalent financial value."

"Density bonus" is further defined as "a density increase of at least 25 percent over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan. The density bonus shall not be included when determining the number of housing units which is equal to 10 or 25 percent of the total. The density bonus shall apply to housing developments consisting of 5 or more dwelling units."

In evaluating the build-out of vacant sites in Cloverdale, potential density bonuses were estimated for sites within the Medium Density and Planning Reserve land use designations. An estimated 400 additional units could potentially be available through the provision of density increases. This represents a maximum figure that could provide an estimated 100 to 400 new units available to low and moderate income households.

Each jurisdiction is required to establish procedures for carrying out the density bonus provisions of State law. In this respect, the City of Cloverdale should develop a statement of policies regarding density bonus incentives in order to: define the process and procedures; establish criteria and development standards for the selection of suitable sites; and, target housing types to meet the identified needs of the community.



APPROXIMATE SCALE: 1" = 100' (NOT TO SCALE)



TABLE 28
INVENTORY OF DEVELOPABLE RESIDENTIAL SITES

SITE ACREAGE ZONING POTENTIAL UNITS CONSTRAINTS

LOW DENSITY (.2 - 1.0 du/ac)

1	14.00	LD	3	14	Access, Creek setback, slope
2	7.34	LD	2	7	Access, Noise, Flood plain
3	1.54	LD	-	1	13 lots proposed

Total 22.88 5 - 22

SINGLE FAMILY (4 - 6 du/ac)

4	9.60	SF	38	58	Street improvements-utilities at site
5	.93	SF	4	6	Access Creek setback slope
6	5.50	SF	22	33	Access, Creek setback, slope
7	14.28	SF	57	86	Access
8	.50	SF	2	3	Small infill parcel

Total 30.81 123 - 186

MEDIUM DENSITY (6 - 15 du/ac)

9	9.02	MD	54	135	Slope, Ag displacement
10	.13	MD	1	2	small infill parcel
11	.36	MD	2	5	Small infill parcel
12	.86	MD	5	13	Access
13	1.50	MD	9	23	Infill parcel adjacent to site #9
14	.31	MD	2	5	Proposed for 4 units (duplex)
15	6.00	MX	36	90	Proposed for 60 apts. FHA financed

Total 18.18 109 - 273

HIGH DENSITY (16 - 20 du/ac)

16	1.00	HD	16	20	Creek setback, access
17	.77	HD	12	15	Infill parcel
18	4.00	HD	64	80	Infill parcel
19	1.56	HD	25	31	24 units proposed; Creek setback
20	1.93	HD	31	39	Infill parcel high density

Total 9.26 148 - 185

PLANNING RESERVE (4 - 6.5 du/ac)

21	136.00	PR	544	884	Annex Area-sf, mf & mobile homes
22	70.00	PR	280	455	Annex Area-sf, mf & cluster homes
23	6.37	PR	25	41	slope

Total 212.37 849 1380

TOTAL 293.50 1234 - 2049

TABLE 29

CLOVERDALE PROJECTED BUILD-OUT OF DEVELOPING SITES BY TYPE

SITE	SINGLE FAMILY	CLUSTER	MULTI-FAMILY	Mobile/Manufactured Homes	TOTAL
3	13				13
14			4		4
15			60		60
19	24				24
21	91		220	475	786
23	65	300-400	80		445-545
TOTAL	193	300-400	364	475	1332-1432

GOVERNMENTAL CONSTRAINTS

Potential governmental constraints to the development of housing may include land use controls, local processing and permit procedures, building codes, site improvements and/or development fees. Land use controls can limit available land or densities, and thus, increase development costs. The approval process can delay construction and increase overhead costs on interest bearing loans. Building codes may add material costs or limit the buildable area of a site. In the wake of Proposition 13, many communities require additional site improvements in addition to special fees, (park dedication, "bedroom taxes" or capital improvement fees) which may increase the cost of each housing unit. Many developers have indicated that these increases in costs are transferred directly to the price of the units.

Land Use Controls

Land use controls are not a major constraint to the development of housing in Cloverdale where there is sufficient land to accomodate a wide range in the type, density and price range of housing. The City will also assist local developers in locating specific sites for the development of housing and will provide bonus incentives to developers who provide a certain percentage of the units for low and moderate income households. The City will continue to monitor the supply of available land and will periodically review the range of densities to ensure that adequate sites are available for a wide choice in the type and cost of housing.

Processing and Permit Procedures

The impact of processing time upon housing costs is related to the increasing trends of construction costs, land costs and financing charges. Each month of delay in processing can add \$500 to \$1,000 to the price of a home. State law has established a framework for the review and processing of development plans that can be influenced to a limited extent by local policies. Because Cloverdale is a small rural community, there is not a backlog of proposed projects nor a sophisticated processing procedure as there is in other communities. The City of Cloverdale has a very responsive development climate which provides effective project review within a reasonable timeframe. Most projects that conform to current General Plan policies can receive preliminary approval within 60 days of a completed application. The City may expedite processing of applications as a bonus incentive for projects that include provisions for low and moderate income households.

In some instances, delays in the process are caused by poor design and physical constraints or environmental impacts which a developer has failed to adequately address. A poorly designed subdivision is

more costly to develop and can cause delays in the approval process in order to revise, correct or improve development plans. The City maintains an open dialogue with developers to assist them in identifying issues and developing mitigation measures to address constraints. Developers can avoid delays in the approval process by: 1) carefully evaluating the development potential and site constraints, 2) communicating their needs and goals early in the process with a concept review, and 3) incorporating departmental responses into their development plans.

Building Codes

Building Codes have not been a major constraint to the development of housing in Cloverdale. While new State requirements of Title 24 have provided additional requirements for building plans related to energy efficiency, the initial costs on a per unit basis are generally offset by the energy savings which accrue over time. Other building codes are standard practices in new construction and have not been perceived as a constraint to the development of housing. However, rehabilitation costs usually exceed new construction costs attendant to bringing older units up to code. Building codes therefore present some financial constraints on the City's rehabilitation efforts. The City will continue seek funding for an ongoing rehabilitation program and to provide public improvements in low and moderate income neighborhoods.

Public Infrastructure and Site Improvement Costs

Since the passage of Proposition 13, new housing developments rarely provide enough tax revenues to pay for expanding public services. Infrastructure improvements and the provision of such services as water, police, fire, schools, parks, streets and sewage collection and, particularly, the cost of improving and extending services to new areas, is potentially a substantial constraint to the production of housing. Most communities require new developments to pay for any on- and off-site improvements necessitated by the proposed project(s). This places the burden of costs on new construction and adds to the high cost of new housing.

According to interviews with Sonoma County developers and City staff, site improvement costs are one of the major factors in establishing the feasibility of a project. Most of the developable sites with good access and available utilities have already been developed. Currently there are no public facilities extending to the annexation area which is to accomodate the bulk of the growth over the next decade.

Cloverdale's existing water storage system currently has limited capacity and needs to be expanded in order to accomodate new growth and provide adequate fire flows. A new storage facility,

transmission main and distribution system will be required for the development of the annexation area. The cost of the new facilities will be financed by connection fees charged for new developments estimated at \$850 per unit. The City has recently expanded its sewer treatment plant to accomodate approximately 2,000 of the anticipated 3,000 population increase over the next five years. The City would require expansion of the treatment plant as the capacity of the current plant is approached. Estimated costs to expand the treatment plant results in an additional fee of \$825 per connection.

Expansion of schools, parks, police and fire services and improvements to South Cloverdale Boulevard are also needed to adequately service the projected population growth. The City is currently developing a Capital Improvement Plan to finance and budget the expansion of these services as growth occurs over the next five years.

According to interviews with local developers, site improvement costs average \$14,000 to \$18,000 per unit for a typical subdivision tract in the greater Santa Rosa Area. These costs include site preparation, utility connections and street improvements such as curb, gutters, street lights and sidewalks. Additional costs to expand the water storage capacity and upgrade the sewer collection system are not included in these estimates and will add to site improvement costs in Cloverdale. The City could develop a set of flexible design criteria to help reduce site improvement costs in order to provide housing for low and moderate income groups. Reducing street widths, parking requirements, minimum lot sizes or eliminating sidewalks along one side of a street could help lower site improvement costs.

Fees and Exactions

Fees associated with various development applications in Cloverdale have been low compared to other communities in Sonoma County. The average cost for utility connections, traffic impact, and park dedication fees is \$1,850 per unit; plan checking and building permit fees can add an additional \$500 to \$1,000 per unit cost (depending on valuation). Estimated fees in other communities range from \$3,800 to over \$5,000 per unit. Additional fees for expanding public services (such as, water, sewer, police and fire) to the annexation area have been estimated at \$1,700 per unit cost. Total local fees assessed for new development in Cloverdale are therefore estimated at \$4,000 per unit, which appears comparable to current fees in other Sonoma County communities. The City may consider a waiver of certain fees as a bonus incentive for projects with units affordable to low and moderate income households.

MARKET CONSTRAINTS

The most significant factors affecting the production and high cost of housing, according to the Real Estate Research Council of Northern California, are escalating land prices, increased construction costs and high interest rates. While these factors are outside government control, certain policy actions can help reduce the extent to which they constrain the production of housing.

Availability and Cost of Financing

Mortgage interest rates are probably the single most important factor affecting the housing market today, since they not only affect the cost of construction, but also have a compounding effect on the home mortgage cost and resultant purchasing power of the buyer. Interest rates over the past five years have fluctuated between 11% and 19% for fixed rate mortgages. As interest rates increased beyond 14% in 1982, the number of construction starts dropped dramatically. In 1983, interest rates fell to below 13% and construction starts boomed. This implies a threshold beyond which many homebuyers are priced out of the market. Figures 6 & 7 illustrate how mortgage rates and construction starts have fluctuated in recent years. Table 30 exemplifies how the increase in mortgage rates affects the purchasing power of the buyer.

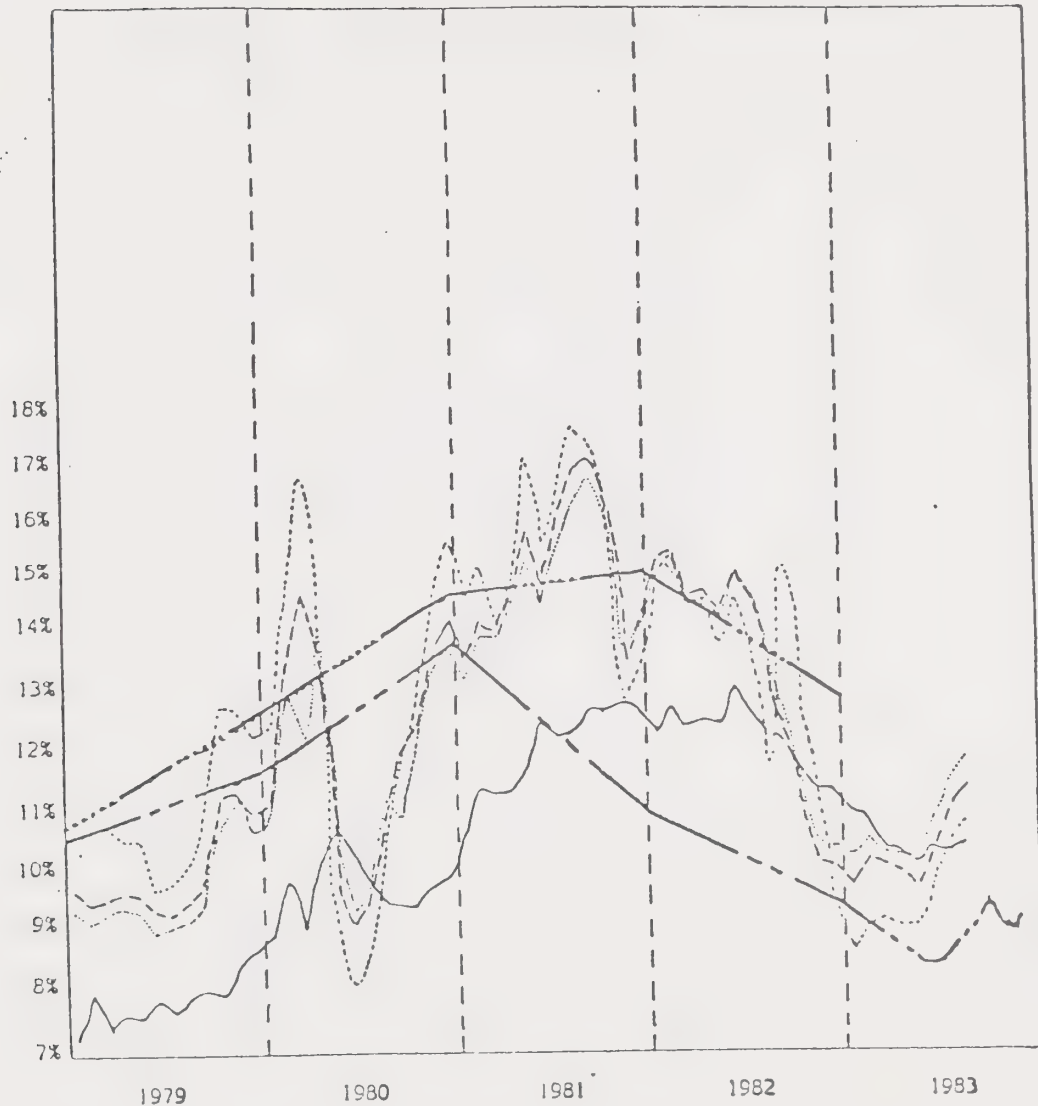
As previously noted, the median asking price for a single family home in 1984 was \$79,500. A comparison of the purchasing power of a moderate income homebuyer (See Table 30) with the price range of homes in Cloverdale indicates that a moderate income family will be priced out of the market as interest rates exceed 14%. Although the City has little or no influence over national mortgage trends, the City can utilize numerous state and federal programs to provide below market rate financing to projects with provisions for low and moderate income housing. Bond financing for construction of multifamily units or first time homebuyers is a mechanism now available to many communities to assist in the development of affordable housing. The City could joint venture with other communities in order to make a bond sale more feasible.

Land Costs

Actual land costs to developers will vary widely depending on the development risk, availability of developable land and the amenities of a particular site. Development risk is related to the development potential (density), site improvement costs and the status of development approvals. Land purchased with a high development risk can be 30 percent lower priced than comparable land with development approvals.

FIGURE 6

Mortgage Interest Rates 1979-1984*

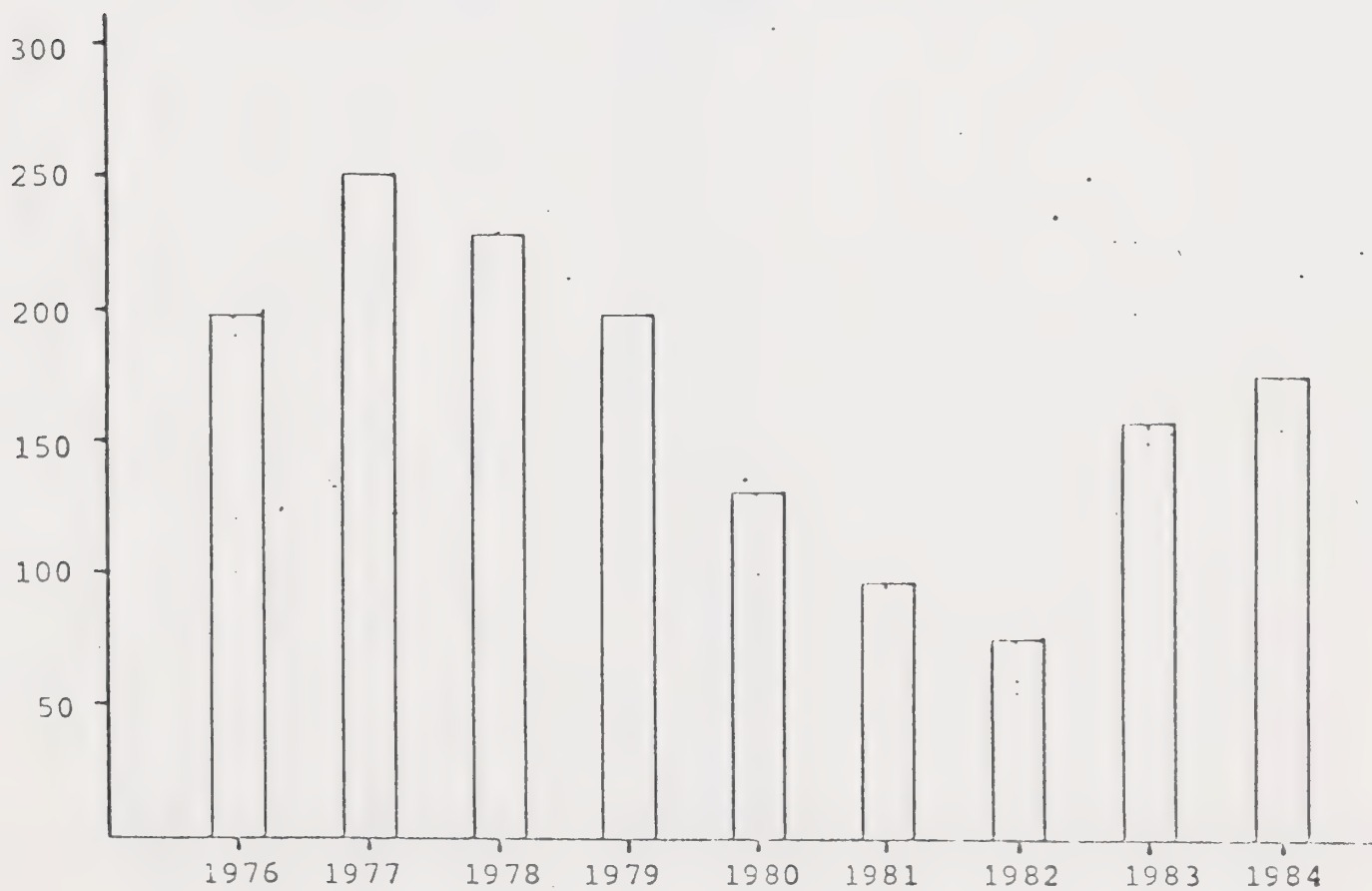


- 1. 11th District Cost of Funds —————
- 2. 1 Year Treasury Bill - - - - -
- 3. 3 Year Treasury Bill - - - - -
- 4. 5 Year Treasury Bill
- 5. 6 Month T-Bill - . - . - .
- 6. Nat'l Mortgage Rate - - - . - . -

* The Graphic charting of the 6 Month T-Bill and Nat'l Mortgage Rate do NOT reflect fluctuations within the year. This trend charting shows the interest rates as of January of each year only, then connected point to point with the graphic trend line. The 6 month T-Bill fluctuations are reflected above in the later half of 1983.

FIGURE 7

HOUSING STARTS IN CALIFORNIA 1976-1984



Source: U.S. Dept. of Commerce

TABLE 30

MAXIMUM SALES PRICE FOR MODERATE INCOME HOUSEHOLD

	9.0 -9.9%	10.0-10.9%	11.0-11.9%	12.0-12.9%	13.0-13.9%	14.0-14.9%	15.0-15.9%	16.0-16.9%
One Person Household Income Limit \$23,200	\$61,252	\$56,380	\$52,175	\$48,510	\$45,248	\$42,398	\$39,825	\$37,547
Two Person Household Income Limit \$26,500	\$69,964	\$64,400	\$59,597	\$55,410	\$51,684	\$48,428	\$45,490	\$42,888
Three Person Household Income Limit \$29,800	\$78,677	\$72,420	\$67,018	\$62,310	\$58,121	\$54,459	\$51,155	\$48,229
Four Person Household Income Limit \$33,100	\$87,390	\$80,439	\$74,440	\$69,210	\$64,557	\$54,459	\$56,820	\$53,569

Table 30 is a reflection of what a moderate income family can afford to pay for a home at various interest rates. It is based on 1984 HUD income limits for moderate income families in Sonoma County, assuming 25% of their annual income for principal and interest payments. This model assumes a down payment of 10% of the purchase price in all cases. The maximum sales prices were computed by determining what amount at various interest rates would amortize over 30 years with a payment equal to 25% of the household income. For example, a two person household with an income of \$26,500 can afford to pay \$6,625 per year which will amortize a loan in the amount of \$63,604 at a 9.9% interest rate over 30 years. Assuming a 10% down payment, the sales price is therefore \$69,964.

Land costs are lower in Cloverdale than in other areas of Sonoma County. According to interviews with local developers, raw land has been selling for an average price of \$6,000 to \$14,000 per unit or \$30,000-70,000 per acre. This is assuming a potential for a standard 6,000 sq. ft. lot subdivision (5 to 6 units per acre). Land with approvals for multi-family or condominium developments may have a lower per unit cost ranging \$5,000 to \$13,000 per unit but carry a higher per acre cost ranging from \$80,000 to \$130,000 per acre depending on the allowable densities (6 to 15 units per acre). Improved lot sales to homebuilders range from \$25,000 to \$55,000 with the bulk of them selling near \$30,000 in Cloverdale.²²

While the City can do little to affect the market price of land in Cloverdale, density increases can help reduce the per unit cost of a development in order to provide units affordable to low and moderate income households. The City can approve density increases to developers who commit a certain percentage of the units to low and moderate income housing. Other bonus incentives may be granted which include, deferred improvements, waiver of fees and "fast track" processing of development plans. The City can also utilize state and federal grant programs to purchase land and then write down the cost of the land to developers of low and moderate income housing. Other policy options which have been recommended for the 5-year Housing Program include periodic review of the available land to determine if selected areas should be redesignated to a higher density range.

Cost of Construction

Construction costs have also escalated in recent years from \$37.48 per square foot in 1980 to \$47.45 per square foot in 1984 (an increase of 26.6% (includes plan checking, site preparation and developers overhead and profit)).²³ Local developers estimate their average construction costs exclusive of their overhead, profit and plan checking fees to be \$35.00 per square foot on a standard quality home with an average cost of \$65.00 per square foot for a good quality custom built home.²⁴

Table 31 provides an example of estimated development costs for a typical residential development. These figures further illustrate that new construction would not be able to meet the needs of low and moderate income households without some form of local, state or federal subsidies. There are various incentives and state and federal programs that the City can utilize to assist the developers in reducing construction costs. Among the more effective means of reducing construction costs is the bonus incentive program previously noted.

TABLE 31

ESTIMATED PER UNIT COSTS FOR A
TYPICAL RESIDENTIAL DEVELOPMENT

Land Costs	\$ 6,000	- \$ 14,000
Site Improvements	14,000	- 18,000
Building Construction (1200 sq.ft. @\$35/sq.ft.)	42,000	- 42,000
Engineering & Planning (8%)	4,960	- 5,920
Local Fees	2,400	- 4,100
SUBTOTAL	\$ 69,360	- \$ 84,020
Development Interest (12%)	8,323	- 10,082
Developer Overhead and Profit (15%)	10,404	- 12,603
Marketing (5%)	3,468	- 4,201
TOTAL	\$ 91,825	- \$110,906

Housing Outlook 1985-1990

Recent trends in construction activities have indicated that developers are building smaller, more basic homes to reach the moderate income market. These "no-frills" packages allow homeowners to add their own amenity packages or expand their units as needed. Mobile homes and modular units provide another affordable housing alternative to the standard single family home. Rising rents and recent revisions in the Economic Recovery Tax Act of 1981 have also stimulated construction of rental units throughout California.²⁴

The housing outlook for the next five years is expected to continue recovering from the 1981-82 recession, but at a much slower pace. Several factors have contributed to the recent trends in accelerated housing activity. Among the most important are: the vigorous economic growth projected for Sonoma County; continued strong demand for housing; and the anticipation of generally stable mortgage interest rates over the near-term. Housing starts and sales are expected to continue rising but the rate of growth is expected to be much lower than in 1983-84 for two reasons: 1) interest rates have increased over last year's levels; and, 2) construction of new houses has approached the average levels achieved during the 1970s, any increases beyond this would lead to levels of construction rarely reached in California.

Although home prices are expected to inch upward and affordability problems will continue to hamper first-time home-buyers, several recent developments in mortgage financing will help ease these pressures. First, institutional lenders are expected to continue to competitively price home-related loans and provide adjustable rate mortgages and graduated payment plans to reduce the initial monthly costs to an affordable level. Second, lower-cost financing is available as sellers of existing houses and builders offer below-market financing, and finally, interest rate subsidies through public mortgage revenue bond programs will likely be available to assist borrowers.

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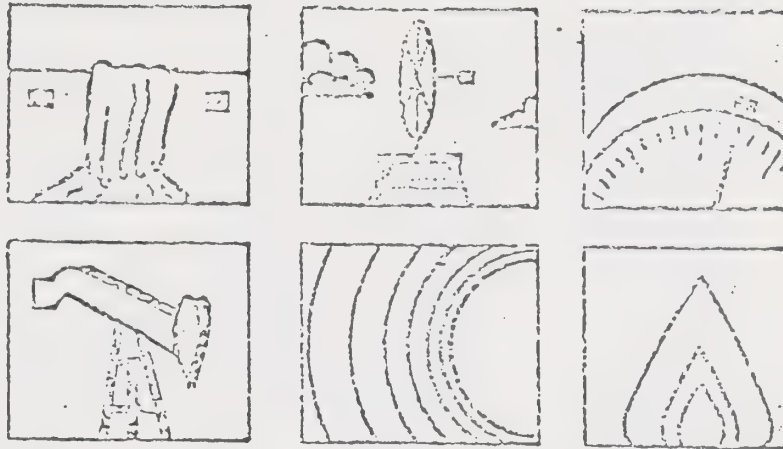
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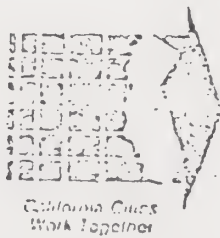
IV. APPENDICES

APPENDIX A
GLOSSARY OF TERMS AND ACRONYMS

ABAG	Association of Bay Area Governments- the local Council of Governments encompassing nine San Francisco Bay Counties.
ABOVE MODERATE INCOME	More than 120% of the median income.
CDBG	Community Development Block Grant, a federal grant program.
DETERIORATED HOUSING UNIT	A structure in need of major rehabilitation.
DILAPIDATED HOUSING UNIT	A structure in need of demolition
DOF	State Department of Finance
FmHA	Farmers Home Administration which administers various federal loan programs.
HAP	Housing Assistance Plan
HCD	State Department of Housing and Community Development
HH	Household
HOUSEHOLD	A single housing unit occupied by one or more persons.
LOW INCOME	An income below 80% of the median income.
MEAN	The average value
MEDIAN	A value representing the mid-point in the range at which 50% of the values are above and 50% are below.
MODERATE INCOME	An income which is between 80% and 120% of the median income.
VACANCY RATE	The percentage of vacant housing units.
VERY LOW INCOME	An income which is 50% or less than the median income.



ENERGY POLICY STATEMENT



League of California Cities

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League of California Cities

ENERGY POLICY STATEMENT

The precarious balance between the demand for energy and the supply of energy is an international problem. Yet the effects of energy costs and problems of supply are felt most immediately at the local level. Energy directly affects the amount of money that each household has to spend. It affects the cost of local government and, indirectly, the level of services to the public. Problems of energy cost and supply affect the prosperity of our communities and our ability to grow and meet the needs of present and future citizens.

Cities represent the first level of government where decisions on energy use are made. As such, cities must take the lead in developing public programs to conserve energy, to distribute energy fairly, and to introduce alternative sources of energy to our present supplies. Cities are uniquely qualified to meet this challenge because of their authority to administer building codes, to design and maintain streets and other large scale public facilities, and to determine how land should be developed. These decisions shape our communities, affect economic growth and the creation of new businesses, and determine the distances we must travel to work, shop, and play.

Cities are also uniquely qualified to deal with energy problems because they are our most immediate and accessible form of government. Cities can most easily work with residents and businesses to carry out community energy programs. They are best suited to bring together the diverse elements within each community and to involve them in the process of designing energy programs and enlisting their support and cooperation in the effort to make a program work.

This does not mean that the city should do everything itself. The League of California Cities' Energy Policy Statement presents the position of California cities on the roles of local, state, and federal government in the struggle for energy self-sufficiency. Representing the views of their local residents, cities should play a major role in shaping energy policies and programs devised by the state and federal governments.

This document also makes recommendations on how cities can devise their own energy programs. Hopefully, it will impress upon cities the importance of devising a community strategy for reducing energy consumption and coping with future problems in cost and supply. Delay will only allow our current patterns of energy consumption to deteriorate and will create a vacuum of community leadership to be filled by government agencies at the state and federal levels.

THE ROLE OF GOVERNMENT

Major changes in the American economy and society have always been influenced by government policies acknowledging advances in technology and promoting their incorporation into the mainstream of our social and economic life. As America was converted to the automobile and mass communications in the past, it must now be converted to energy conservation and alternative energy sources. As in the past, government policies will be needed to promote this change.

Cities

The League recommends that cities, working independently and through the League of California Cities:

- Incorporate energy policies in their general plans and land use decisions;
- Establish a framework for community development of energy conservation programs;
- Assemble a catalog of all local energy related programs and of possible funding sources for additional local energy related activities;
- Conduct workshops on energy efficiency and provide additional assistance to cities in developing local energy programs;
- Develop staff expertise in energy issues;
- Monitor and participate in county and regional decisions which may affect community energy use;

- Lobby for recommended state and federal actions;
- Seek state and federal grants to aid cities in developing energy programs; and
- Utilize state and federal training programs in energy issues for local officials.

Counties and Regional Agencies

The League recommends that counties and regional agencies:

- Encourage individual cities to develop energy programs tailored to meet the specific needs of that community;
- Provide technical assistance to cities developing local energy programs; and
- Help coordinate the different programs within the county or region.

The State

The League recommends that the state:

- Broaden tax incentives for energy conservation and development of alternative energy use;
- Review and seek to eliminate any disincentives for conservation in state law;
- Refrain from imposing any requirements which might directly or indirectly hinder the development of local energy programs;
- Include provisions for local options and administrative flexibility in any state plans;
- Design statewide programs that avoid adding to the cost of local government;
- Continue to provide technical assistance and information for local energy programs;
- Provide for formal local government representation on the California Energy Commission and other energy related boards and commissions.

The Federal Government

The League recommends that the federal government:

- Provide tax incentives to encourage individuals and businesses to invest in energy conservation and alternative energy systems;
- Make federal funds available to assist cities in developing and carrying out their energy programs;
- Encourage energy efficiency through federal program regulations; for example, the weatherization of residences could be encouraged through federal home mortgage loan standards; and
- Avoid favoring issues of energy supply over issues of energy demand, such as energy efficiency and conservation.

GENERAL GUIDELINES FOR DEVELOPING A CITY ENERGY PROGRAM

Build a Solid Foundation

To establish the groundwork for a program to increase community energy efficiency, a city must thoroughly study its present pattern of energy consumption, assess the options available to change that pattern, and then set realistic goals.

It is recommended that cities designate an advisory group to assume the responsibility for developing an energy program. Such a group might take the form of a council subcommittee, a citizen task force, or an existing commission. City staff should assist the group in reviewing measures already in place in the community and programs developed by other communities which might be applied locally.

The expertise of city staff should also be used to review existing city ordinances, policies, programs, and activities to identify rules or practices which could be modified for greater energy efficiency. City staff should take advantage of training and educational opportunities to familiarize themselves with available programs. Savings in city facility energy costs alone will far outweigh the cost of staff time used to develop energy programs.

Win Public Support

No city program can get off the ground without strong popular support. Since some elements of a program to reduce community dependence on traditional energy fuels will require sacrifices from residents, it is crucial that the broadest spectrum of interests in the community be involved as fully as possible in every phase of designing and carrying out an energy program. Public planning sessions should be well publicized and citizen suggestions seriously considered.

Cities should first consider programs they believe a majority of their citizens would be likely to comply with if the requirements were voluntary. Depending on the goals agreed to, cities may need to adopt mandatory requirements. Each of us does not have our own supply of energy; we share a common supply. Consequently, when one of us wastes energy, all of us suffer because we all must bear the cost of providing new supplies. Mandatory requirements ensure that everyone shares equally in the benefits and responsibilities of conservation.

Cities should mount a continuous public education campaign explaining the benefits of reducing energy consumption and introducing new energy conservation options. Progress toward conservation goals should be monitored and publicized to heighten community enthusiasm for the project.

Begin With Conservation

Because the law of supply and demand will continue to push energy prices higher, the cheapest source of energy should be tapped first. That source, in many areas, is conservation.

There may be disagreement over the size of our supply of traditional energy fuels, but it is not necessary to resolve questions of supply to demonstrate the need for conservation. Lowering demand can be as valuable as increasing supply as a means of controlling the price of energy. Conservation is a bargain; research has shown that energy recaptured through conservation can cost as little as one-sixth the cost of new supplies.

Choose Cost-Effective Options

A cost-effective program is one in which the energy cost savings to participants will equal or exceed the amount of their initial investment within a reasonable period of time. Many

programs can pay for themselves within a single year without requiring the expenditure of large sums before realizing cost savings. Such programs should be considered first because they are generally the simplest to implement, promise the most progress for the least effort, and are most likely to win public acceptance.

To determine the cost-effectiveness of a particular measure, it is important to consider all of its costs and benefits. Calculations of cost should include the price of the device, finance charges, and maintenance costs, and may also include offsetting factors such as tax credits or deductions. Benefits are realized in reduced energy costs, based on anticipated fossil fuel prices in future years.

The public should also be made aware of benefits to the community as a whole. For example, reducing energy costs should stimulate the local economy by freeing up consumer dollars previously lost to energy payments, reducing costs of doing business in the community, and generating additional business for firms engaged in designing, constructing, or maintaining energy conservation or alternative energy devices. A decision to increase residential density would not only reduce the amount of energy consumed by transportation, but would also improve air quality and help lower housing costs.

PROGRAM OPTIONS

Transportation

The goal of every city's transportation program should be to encourage the most energy-efficient mode of travel for each trip taken within the city. Land use provisions and the design, density, and location of new development are major factors affecting the energy costs for transportation within a city.

In making zoning and other land use decisions, cities should plan residential densities and commercial, office, and industrial developments to minimize the distances between centers of employment, shopping, and leisure activities. Significant travel distance savings can be achieved by creating planned, self-sufficient neighborhoods, located near commercial zones and employment areas. The use of public transit over the private automobile should be encouraged by locating high density, high intensity uses along planned transit routes.

In addition, cities should:

- Fully utilize available mass transit funding from state and federal programs;
- Increase the use of existing transit facilities by working with employers and merchants to develop shoppers' tickets, pay incentives for transit use, reduced fares at off-peak hours, staggered work hours, ride sharing, car-pooling, and park-and-ride programs;
- Improve transit services by coordinating traffic signals, separating traffic lanes, and through well-planned and located bus stops;
- Encourage the use of bicycles by constructing bikeways, designating bike lanes on existing streets, requiring bike lanes on new streets, removing hazards that impede safe bicycle travel, and by publicizing these features and educating the public on the advantages of bicycle transportation;
- Coordinate transit planning among schools, colleges, and transit operators to encourage school districts to reduce the number of vehicles used to bring people to the schools, and to encourage the use of regular bus service whenever possible; and
- Work together to encourage the rerouting of passenger train service to serve population centers.

Buildings and Development

Under the Subdivision Map Act, all California cities are required to consider energy conservation design in the approval of new subdivisions. A city's success in reducing the energy demands of new development will depend in large part on its rigor in applying basic energy conservation principles to subdivision designs. Increased densities and utilization of common wall areas can reduce space heating and cooling costs.

Proper orientation of buildings and lots can maximize utilization of solar energy for heating while taking advantage of prevailing breezes for ventilation and cooling. Other design options would avoid undue concentration of windows on the west side of buildings and would include landscape design to provide shade in the summer.

The state has already established a minimal energy conservation code applicable to construction of new buildings. Some cities may find that construction standards adapted to local

conditions would provide greater energy savings than those established by the state. For example, cities in the Central Valley experiencing the unique hot weather and north/south evening cool breezes peculiar to that area, may wish to examine building code refinements such as those adopted by the cities of Davis, Indio, and others.

For most cities, retrofit of existing buildings with insulation and energy conserving devices may well be the single most cost-effective measure to reduce energy consumption. Many California cities have found that "weatherization" of all existing residences would pay for itself within five years. The cost-effectiveness of these programs can be enhanced by working with utilities which offer free energy audits and low interest loans for attic insulations.

Uniform weatherization standards may be more difficult to apply to commercial, industrial, and institutional buildings because their design and energy use varies considerably. Instead of imposing specific requirements for these buildings, energy audits could be required within a set period of time, or at the time of renewal of specified city licenses. The audits could be performed in conjunction with health, safety or fire inspections and their cost could be included in permit or license fees. The California Energy Commission sponsors programs to train city personnel to conduct audits, and local utilities may also assist in reducing the costs of audits.

After review of the energy audits, building owners should be encouraged to carry out those conservation measures which prove cost-effective. Cities may wish to establish mandatory requirements in specified types of facilities.

City Facilities

The city task of coordinating a local energy program will win greater public support when the city itself takes the lead in innovation and compliance with regulations and recommendations. In many cases, a city can attain higher standards of energy conservation and use of renewable resources to serve as a model for the community.

Cities should:

- Include an energy conservation component in their capital improvements program, so that a portion of the annual budget is invested to reduce energy use;

- Offer city employees incentives to use public transit or other energy-efficient transportation;
- Conduct energy audits of all city facilities to identify cost-effective possibilities for conservation and alternative energy use;
- Experiment with "flex-time" or other work schedule modifications to encourage off-peak transit use and reduce building energy consumption;
- Establish a community recycling program if one is not yet operating, or encourage and provide incentives to community groups or the private sector to start one;
- Consider expanding their own utility programs with alternative electrical generation technologies reducing consumption of traditional fossil fuels.

POLICIES FOR THE FUTURE

The immediate future promises to be a period of painful transition. Many difficult policy decisions remain as traditional sources of energy diminish and as new forms are brought on line. It is the position of the League of California Cities that state and federal authorities observe the following guidelines in formulating energy policy during this transitional period.

Developing New Energy Supplies

Energy is not an end in itself and must be considered in its relationship to other public values. The energy problem should be addressed jointly with problems of employment, environment, urban conservation, and other public priorities.

Environmental standards must be maintained in the development of and conversion to new energy resources.

The effect of energy policies on the total number of jobs in our economy should be a major factor in formulating policy. Whenever possible, policies should improve the opportunities for employment.

The federal government must ensure that the enormous demand on capital associated with the development of fossil fuels does not retard the development of alternate energy technologies.

Federal energy taxes should be allocated exclusively to programs which develop new energy resources, shift to renewable energy sources, promote energy conservation, and assist energy-efficient transportation.

Government policies should encourage the use of solar space heating and cooling and water heating in new and old buildings of all kinds, both private and public.

The conversion of agricultural, forestry, and non-recyclable urban wastes into usable fuels should be encouraged.

The use of wind power, geothermal power, tidal power, hydrogen and other renewable sources of power should be encouraged wherever their application is feasible.

The research and development of solar electricity generating capacity should be encouraged.

Cogeneration, the generation of electricity as a by-product from heat used for industrial or other purposes, should be encouraged.

State and federal assistance should be offered to cities for applications of potential new approaches to energy conversion and supply.

A coordinated federal, state, and local procedure should be established to review the siting of all energy producing and generating facilities.

Final siting approval of energy producing facilities should remain a state matter, subject to appropriate federal environmental laws and regulations.

Officials of local governments and the states must participate in the site selection and permitting process for energy producing and generating facilities, including routing of associated transmission lines.

Managing Shortages

Energy problems must be dealt with in a manner fair to all regions, sectors, and income groups.

The goal of government allocation policies should be the

availability of adequate energy supplies to all citizens, regardless of income.

The problems of energy costs and supply must always remain an open and public issue, with policy decisions made after public discussion and debate. Our educational institutions must take the lead in developing a citizenry familiar with both the technical and political issues involved in determining energy policy.

Maintenance of essential public services must take priority in the event of shortages, and cities must be allocated sufficient supplies of energy to supply those services and to avoid rapid, short-term increases in service costs to the public.

State and federal agencies should establish a comprehensive energy information system with authority to obtain information from energy producing or distributing companies and other private or public sector oil suppliers necessary for immediate and continuing objective assessments of domestic fuel reserves and projected demands.

Despite the possibility of strong public demand for prompt action in the event of an energy shortage, emergency actions must be limited to those with a broad consensus of support reflecting all affected interest groups and which balance social, economic, and environmental goals.

Utilities and regulator agencies should be required to inform and consult with officials of local government at the earliest possible stage of any plan for allocation and curtailment, including load shedding and rotating blackouts, designed to deal with the inability of energy suppliers to meet demand.

September, 1980

Additional copies available at \$2 each from:

League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

COUNTY OF SONOMA
GUIDELINES FOR PASSIVE SOLAR DESIGN AND
SOLAR ACCESS PROTECTION IN NEW DEVELOPMENT

1. INTENT

It is the intent of these guidelines to facilitate the implementation of the following provision of the California Solar Rights Act, and to encourage the inclusion of passive solar design and solar access protection in all new development.

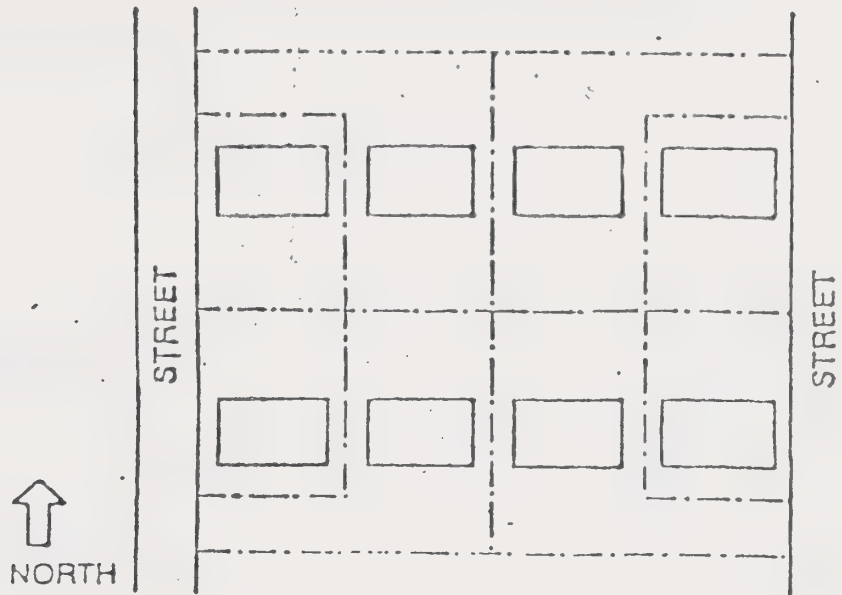
"The design of a subdivision for which a tentative map is required. . . shall provide, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision." (Government Code Section 66463.1)

These guidelines apply only to the extent feasible with respect to parcel configuration, topography, slope orientation, existing street access, slope stability, existing vegetation, and neighboring uses. These guidelines shall not result in reduced densities or buildable lot area or cause the removal of vegetation beyond that which might otherwise have occurred. These guidelines do not apply to a subdivision of airspace for the conversion of existing structures to condominiums. It is the intent of the County that passive design and solar access receive equal consideration in the balancing of the design criteria.

"AZIMUTH": The angle on a horizontal plane between the sun's location in the sky and true south.

"FLAG LOT": A lot which does not have frontage on a street, but which has access via an easement through an adjacent lot which does have street frontage.

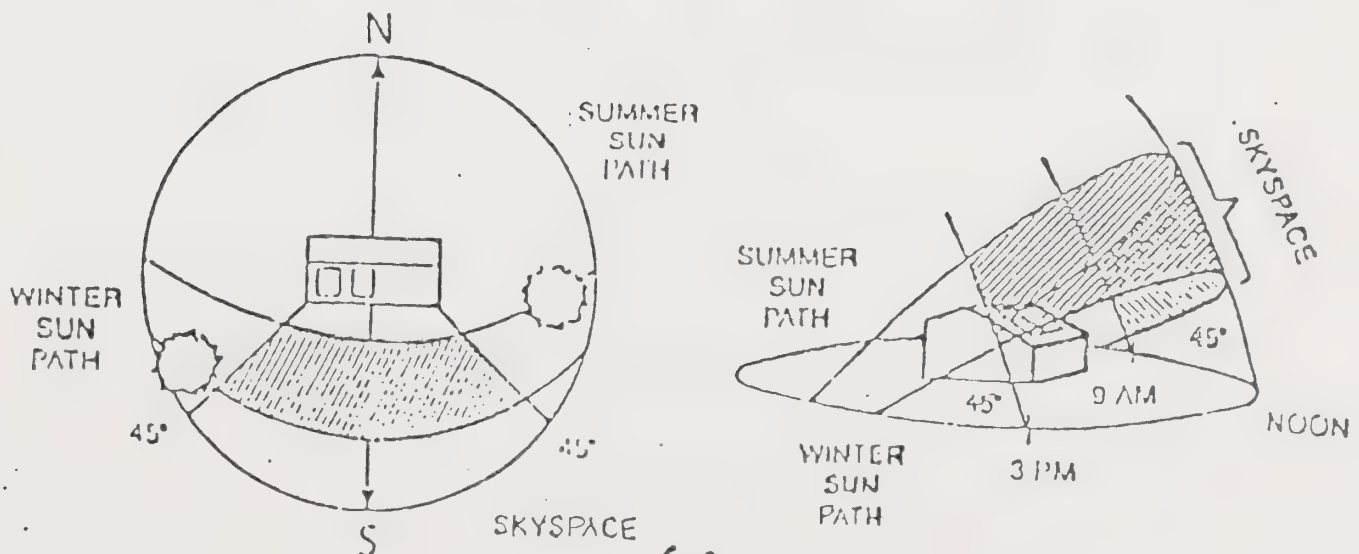
Flag Lots



"RESTRICTIVE COVENANT": A contract between two or more people which involves mutual promises of reciprocal benefits and burdens among consenting landowners to insure solar access to solar energy systems.

"SKYSPACE": The area of sky which corresponds to the period when solar access is most important, defined by the sun's path across the sky between azimuths 45° east of true south and 45° west of true south.

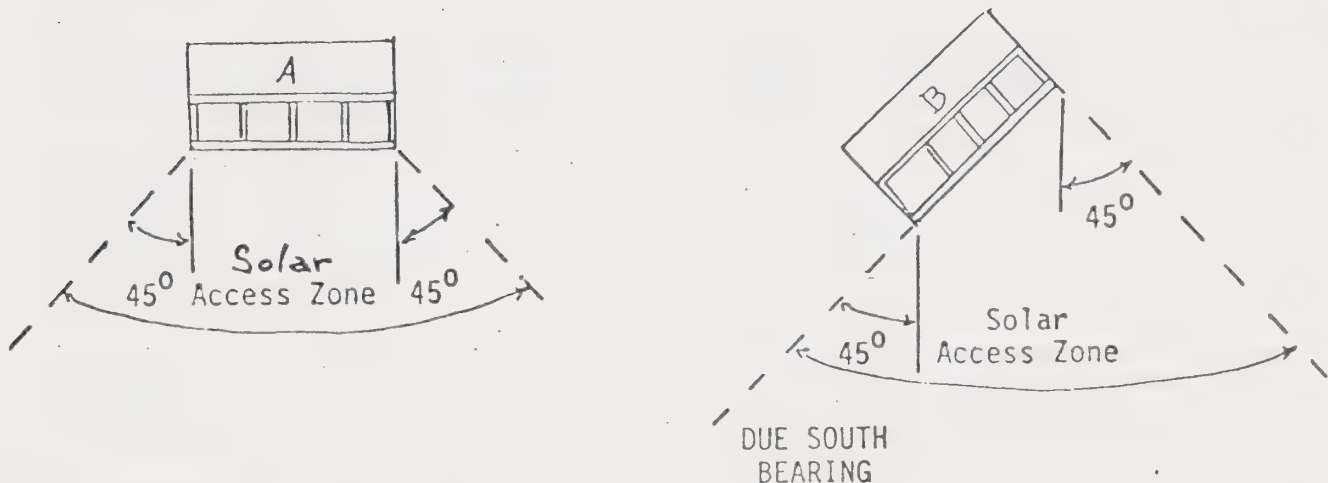
Solar Skyspace (Plan and Isometric Views)



"SOLAR ACCESS": The provision of direct sunlight to an area specified for solar energy collection when the sun's azimuth is within 45° of true south.

"SOLAR ACCESS ZONE": The plane area located to the south of an area specified for solar energy collection, defined by a line extending 45° east of true south from the southeastern corner of the specified solar energy collection area and by a line extending 45° west of true south from the southwestern corner of the solar energy collection area.

Solar Access Zones



"SOLAR EASEMENT": A recorded private agreement granting to one property owner the right of receiving direct sunlight across an adjacent property.

STREET AND DRIVE DESIGN

Where a development involves creation of streets or drives, design street layout to maximize the number of buildings which can be oriented with major glazing and roof area facing within 22.5° of true south, and minimize excessive heat gain from paved from paved surfaces.

- Make street alignment primarily east-west.
- If vegetation on site restricts solar access, locate streets and drives to south side of buildings or building sites.
- Where required grading restructs buildable sites to one side of the street, align street to maximize number of building sites with south exposure.

- d. To the extent streets cannot be oriented east consistent with development criteria and site constraints, lot orientation and configuration should be designed to maximize solar access.
- e. Nonarterial street widths in residential development should be reduced consistent with traffic and fire safety.

4. LOT PATTERN AND CONFIGURATION

Where a development involves the creation of a new parcel or parcels, design lot configuration and the pattern of lot layout to maximize unobstructed solar access and orientation of lots within 22.5° of true south.

- a. Orient primary lot lines north-south, to encourage and facilitate solar orientation of buildings. If site precludes southern orientation of lots, assure adequate lot dimensions to allow solar orientation of buildings at an angle to lot lines.
- b. Make the north-south dimension of lots longer, to maximize protected skyspace to the south of the buildings sites. Where access restricts lot configuration, consider use of flat lots.
- c. On steeply sloping and/or forested lands, maximize number of lots with buildable sites near crests, on slopes oriented within 45° of true south and in areas where solar access is not obstructed by existing vegetation.
- d. Where consistent with other development criteria, Planning Unit Developments are encouraged, with buildings clustered in areas of best solar access, and designed to take advantage of passive heating and cooling opportunities.

5. SITING OF BUILDINGS

Where a project involves the construction or relocation of buildings, locate buildings and accessory structures to maximize solar access and orientation for solar heating. Where consistent with optimum orientation for heating, building orientation should also take advantage of natural cooling.

- a. To the extent consistent with other development criteria, locate habitable buildings with the largest setback from the southerly lot line to maximize protected skyspace.
- b. Maximize the number of buildings sited on relatively level areas and on slopes facing within 45° of true south, and avoid locating buildings on steeper slopes facing within 60° of north.
- c. Locate buildings to take advantage of existing or proposed clearing of vegetation to increase solar access.
- d. Locate fences and accessory structures to minimize obstruction of solar access to heated buildings.

- e. Orient buildings so that the greatest exposure with the most window area faces within 22.5° of true south. If solar access is better east or west of true south, orient buildings accordingly, but not more than 45° away from true south.
- f. Where consistent with siting for passive heating benefit, locate buildings to take advantage of the natural cooling effects of summer breezes and vegetation, especially on western exposure.

6. LANDSCAPING

Where a project involves the planting of new vegetation, select species and locate landscaping to protect winter solar access, shield heating buildings from winter winds, and to provide shading from unwanted summer sun.

- a. Avoid planting species within the solar access zone which will obstruct more than 10% of the skyspace at mature height.
- b. Choose deciduous species with light branching patterns for landscaping on south, east and west sides of buildings, to protect winter solar access and provide summer shading. Consider the use of deciduous vines and trellises for seasonal shading.
- c. In areas exposed to strong winter winds, plant evergreen trees and hedges outside the solar access zone, in the direction of prevailing winds. Trees should not obstruct the solar access of neighbors.
- d. When it is desirable to reduce the area shaded by trees, plant trees in clumps, rather than dispersed.

7. SOLAR ACCESS PROTECTION

Where neither lot size, lot configuration, or applicable zoning is sufficient to reasonably protect solar access to parcels in a new subdivision, the Planning Department may recommend the preparation and dedication of solar protection, in terms of both length of solar heating season and area to be protected, should be appropriate to project density and site conditions.

The Planning Department will provide an example of a solar easement for the information of subdivision applicants.

8. ENERGY CONSERVING ALTERNATIVES

Where the use of solar energy is severely limited by project site constraints, the applicant should consider other means to reduce the dependence on the new development on nonrenewable energy sources. Such alternatives might include total energy systems (cogeneration), seasonal thermal storage heat pump systems, or on-site fuel woodlot management.

1. The first step in the process of developing a new product is to identify a market need. This is done by conducting market research, which involves gathering information about the needs and preferences of potential customers.

2. Once a market need has been identified, the next step is to develop a product concept. This involves creating a detailed description of the product, including its features, benefits, and target market.

3. Market Research

Market research is the process of gathering information about the needs and preferences of potential customers. This can be done through a variety of methods, including surveys, focus groups, and interviews.

4. The next step in the process is to develop a marketing plan. This involves determining the best way to reach potential customers and promote the product.

5. Once a marketing plan has been developed, the next step is to launch the product. This involves creating a sales strategy and implementing it.

6. The final step in the process is to evaluate the product's performance. This involves tracking sales and customer feedback, and making adjustments as needed.

7. The process of developing a new product is a continuous one, and it is important to stay up-to-date on market trends and customer needs.

8. Product Development

Product development is the process of creating a new product. This involves identifying a market need, developing a product concept, and creating a prototype. The product development process is often iterative, meaning that it may involve several cycles of development and testing.

9. The product development process is a critical part of the overall business process, and it is essential to get it right the first time.

10. Marketing Strategy

A marketing strategy is a plan for reaching potential customers and promoting a product. It involves determining the best way to reach potential customers and the best way to promote the product. A marketing strategy is essential for the success of any business.

9. APPLICATIONS

Maps submitted with an application for subdivision of property should indicate the approximate location and height of any vegetation or existing structures on the parcel and on adjacent parcels which might affect solar access to the site or sites proposed for development. Applicant should indicate how many of the housing units in the proposed subdivision have full south wall solar access. The applicant should also provide any other information pertinent to solar access agreed upon in conference with the project planner.

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